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Lithuania Breaks Away From U.S.S.R.

Gorbachev: The First 5 Years

He Needs a Bold Move, Critics Say, to Survive 5 More

By Bill Keller
New York Times Service

VILNIUS, U.S.S.R — Outside a polling place in Moscow last week, a voter framed the issue as a bitter joke: what is the difference between the Soviet Union and the United States?

Answer: "In the United States, Mikhail S. Gorbachev would probably be elected president."

The gibe was double-barreled, aimed both at Mr. Gorbachev, who Sunday marked his fifth anniversary as Soviet leader, for failing to live up to his country's expectations, and at the West for worshiping too uncritically at the Gorbachev shrine.

For all his stature beyond his own borders, at home Mr. Gorbachev seems in danger of falling behind the major developments he set in motion: the surrender of the Communist monopoly, the remaking of the Soviet state, the disintegration of the empire, the fitful birth of a market.

Critics, even among Mr. Gorbachev's devoted admirers, say that without another great leap of political imagination — something to bolster not his institutional power, but his popular authority — he stands little chance of leading his country through the coming period of sacrifice.

One such leap would be to step down as leader of the Communist Party, freeing himself from the obligation to clear his presidential decisions with the old men's club that runs the party.

Another would be to agree to submit to nationwide, multiparty elections, soon if not immediately.

Officials close to Mr. Gorbachev hint broadly that both of these are possible. But Mr. Gorbachev has not said so.

It is no longer news that Mr. Gorbachev's subjects grumble about the failed promises of his economic program, the rising prices and shrinking supplies. What is perhaps less understood is that the public is annoyed with Mr. Gorbachev for being too cautious in the cause of liberty, for failing to satisfy an appetite he himself stimulated.

More surfer than swimmer, he rides the crest of events, sometimes teetering but never losing his sense of direction.

Lionized abroad for liberating a totalitarian empire, he has never subjected himself to direct elections at home. Indeed, he is now preparing to accept a more powerful new executive presidency, again without giving the public a chance to pass judgment on his performance.

Polls suggest that if Mr. Gorbachev did face a fair election, he would win by default — the public has not coalesced around an alternative leader. But his margin of support is declining fast, and with it his ability to motivate. Mr. Gorbachev has largely dispelled the fear that gripped his country, but he has not yet replaced it with trust.

Opinion surveys, election results, and man-in-the-street conversations all indicate that he has allowed an eclectic coalition of opposition forces to steal the slogans of renewal.

"During the first stage of *perestroika*, it was rather reasonable for him to be in the middle of the road," said Sergei B. Stankevich, a street-smart young member of the loyal opposition in the Soviet parliament.

"But now the potential of this middle-of-the-road policy is exhausted. Natural processes in politics, in the economy, are moving ahead much more quickly than Gorbachev, pursuing a middle-of-the-road policy, can react to them, and the society is developing much more quickly."

To Westerners, the sense of disenchantment within the Soviet Union may be hard to fathom. These have been five years of breathtaking world change, with Mr. Gorbachev as catalyst.

If he did not exactly liberate Eastern Europe and single-handedly end the Cold War, he created the climate for the Europeans to liberate themselves by declining to prop up the tired old

See GORBACHEV, Page 4

The Associated Press
Supporters of the Lithuanian independence movement Sajudis gathering Sunday outside the parliament in Vilnius ahead of the vote.

Pre-1940 Status Restored

By David Remnick
Washington Post Service

VILNIUS, Lithuania — The Lithuanian parliament declared the republic independent of the Soviet Union on Sunday and elected a non-Communist as head of state.

The declaration marks the most serious political and legal threat ever made to Moscow's control over one of the 15 Soviet constituent republics.

Lithuania, which was annexed to the Soviet Union in 1940 as part of a nonaggression pact with Nazi Germany, is now demanding immediate negotiations with the Kremlin to work out the legal and economic procedures of secession.

As the parliament announced its vote for independence, about 300 people outside the legislature building broke into cheers. Legislators in the chamber joined hands and shouted over and over, "Lithuania, Lithuania."

The vote was 124 in favor, none against. Six deputies abstained.

The declaration included a change of name from the Lithuanian Soviet Socialist Republic to the Republic of Lithuania.

The new Lithuanian president, Vytautas Landsbergis, a 57-year-old musicologist who helped found the independence movement Sajudis less than two years ago, said that the republic was "not asking anyone's permission" to secede.

"We are acting on our own will, according to the dictates of our own consciences," Mr. Landsbergis said. "Our duty now is to make a reality of the expectations we have created."

The Lithuanian legislature, which was voted into office last month in multiparty elections, also drafted an appeal to President Mikhail S. Gorbachev asking him to withdraw all Soviet Army troops and KGB security forces from the republic's territory.

One legislator said that Lithuania would "no longer tolerate the rule of an empire."

Lithuania, like its sister Baltic republics of Latvia and Estonia, was part of the Russian empire but gained independence in 1918, only to lose it again in 1940, after Stalin's troops occupied its territory.

[In Washington, the White House on Sunday urged the Soviet Union to respect the decision of the

See VILNIUS, Page 4

Kiosk

Keep Hostages, Iranian Urges

TEHRAN (Reuters) — A leading Iranian radical has urged Lebanese kidnappers to keep their Western hostages, saying freeing them would "unleash the blood-drinking wolves."

The former interior minister, Ali Akbar Mohtashemi, praised Islamic Lebanese and Palestinian groups, saying that with Iran's inspiration they had won victories against the superpowers.

Protests in Mongolia

BEIJING (Reuters) — About 5,000 Mongolian Communists on Sunday held their first rally in Ulan Bator, the capital of Mongolia, criticizing newly formed opposition movements as undemocratic and calling two of their leaders traitors.

Senna Wins Prix

PHOENIX, Arizona (Reuters) — Ayrton Senna of Brazil, driving a McLaren, won the U.S. Grand Prix Formula One race here on Sunday. Jean Alesi of France was second in a Tyrrell and Thierry Boutsen of Belgium, driving a Williams, finished third.

MONDAY Q&A

Reuters
Zara Steiner, an American historian, says the real hope for peace in Europe is a strengthened European Community. Page 2.

Business / Finance

Industrialized nations are locked in debate over plans for an East European development bank. Page 9.

Sports

Jennifer Capriati's whirlwind professional tennis debut was ended Sunday by Gabriela Sabatini. Page 16.

Personal Investing

After a rush of euphoria about the opening of Eastern Europe, investors are showing signs of caution. Pages 13-15.

Crossword Page 3.

Gorbachev Rejects Calls to Change Name of Communist Party

By Michael Dobbs
Washington Post Service

MOSCOW — President Mikhail S. Gorbachev on Sunday rejected calls for the Soviet Communist Party to follow the example set by the party in Eastern Europe and change its name in an attempt to restore flagging authority.

Mr. Gorbachev's forthright defense of the party's ideological identity came on the eve of a parliamentary session that is expected to pave the way for a multiparty system and introduce a presidential system of government.

It also coincided with the first declaration of independence by Lithuania, one of the country's 15 constituent republics.

Addressing a plenary session of the policy-making Central Committee, Mr. Gorbachev called for drastic changes in the party statutes and election procedures to make it more responsible to its 18 million members. But he ruled out any transformation of the party, which has exercised monopoly power in the Soviet Union for 73 years, into a socialist or social democratic party along Western or even East European lines.

Mr. Gorbachev, who on Sunday marked the fifth anniversary of his election as party chief, noted that there was "a lot of talk" about how the Soviet Communist Party had "outlived its usefulness" and should change its name.

"I believe that this proposal does not be accepted," the Soviet leader said, according to a partial transcript provided by the Soviet news agency Tass. "Its implementation would be a serious blow to the party's ideological foundation and disappoint many members and nonparty people who support it as a party of lofty ideals," he was quoted as saying.

Mr. Gorbachev's refusal to abide a name change for the Soviet party may antagonize radicals who have been calling for its transformation into a social democratic party. Mr. Gorbachev's stand could encourage defections by progressives prior to a special party congress that is now due to convene in Moscow on July 2.

Many progressives will carefully evaluate the Central Committee session before deciding whether to remain within the party or to establish a leftist organization with a social democratic orientation. But Mr. Gorbachev has evidently decided that he cannot afford to further upset orthodox party members already disturbed by the decision to give up the legal monopoly of power.

Over the past few months, formerly all-powerful Communist parties in many East European countries have changed their names and jettisoned Leninist ideology in an attempt to spruce up their electoral image. But such a move is more difficult for the Soviet party, which still regards itself as the keeper of the flame of the world's first socialist revolution.

Mr. Gorbachev told the Central Committee that a change in the party's identity would have serious "international" implications, undermining allied parties "that uphold the communist idea in difficult conditions." He appeared to be referring to the parties of the traditional stripe that remain in power in China, North Korea, Mongolia, Vietnam and Cuba.

The Central Committee meeting was called to formulate the party's proposals for constitutional changes, including the establishment of an executive presidency with sweeping powers. The proposals are to be debated by the Congress of People's Deputies, the national legislature, at a special session starting Monday.

Some progressive deputies have

See SOVIETS, Page 4

Israel Government Fails to Resolve Crisis

By Jackson Diehl
Washington Post Service

JERUSALEM — Israel's political crisis deepened Sunday when the cabinet failed to agree on whether to accept a U.S. proposal for Israeli-Palestinian talks, and the Labor and Likud parties prepared for the possible collapse of the coalition government.

Labor Party ministers, which had threatened to leave the government if the U.S. proposals were not accepted, decided to ask the party Central Committee on Monday to authorize "whatever steps are necessary to advance the peace process," Israel Radio said.

Labor officials said the move set the stage for a possible vote of no confidence by their party in the 15-month coalition government during a session of the Knesset, or legislature, this week.

Officials of Labor and Likud also renewed contacts with representatives of Israel's small religious parties to explore the possibility of setting up a government that would exclude the other major party. If the current government falls and such efforts fail, elections will be called.

The rush for political positions followed a meeting of the government's inner cabinet, which confirmed the deadlock between the rightist Likud and the leftist Labor over how to respond to the latest diplomatic formula advanced by Secretary of State James A. Baker 3d. Labor ministers walked out of the meeting after Prime Minister Yitzhak Shamir rejected a demand by Deputy Prime Minister Shimon Peres that the cabinet vote on Mr. Baker's plan.

Moderates in both parties continued to express the hope that some kind of compromise could be worked out in the coming days to preserve the government.

An aide to Defense Minister Yitzhak Rabin said he did not know if there was a chance to preserve the government. Mr. Rabin has long been considered the strongest Labor supporter of the coalition.

Mr. Baker is seeking Israel's consent for a framework that would set up talks in Cairo between Israel and a delegation of Palestinians from the occupied West Bank and Gaza Strip. The Palestinians would negotiate with Israel about its plan to hold elections in the occupied territories for a second group of Palestinian representatives who would then negotiate self-rule.

Mr. Shamir and his cabinet allies continued to insist their Likud party could not agree to the formula

See ISRAEL, Page 4

Gerry Penny/Agence France-Presse

Pressure on the Prime Minister

Prime Minister Margaret Thatcher of Britain at her country home Sunday after three newspapers published polls showing that at least one-quarter of Conservative Party lawmakers believed that she should resign before the next general election, which must be held by mid-1992. The polls reflect fears in the party that the prime minister may have turned into a liability.

Avril Quits, Haiti Awaits Civilian Rule

Compiled by Our Staff From Dispatches

PORT-AU-PRINCE, Haiti — Opposition politicians said Sunday they were confident that the military would hand over power to a civilian-led government. But they called for a strike unless Lieutenant General Prosper Avril, who resigned Saturday, leaves the country.

There were reports that at least 18 persons had died in violence over the weekend. An independent radio, Métropole, quoted officials from the city's main hospital as saying that up to 100 people were treated for injuries.

As sporadic violence continued Sunday, soldiers appeared to be staying in their barracks, leaving the police to maintain order.

General Avril, 52, who came to power in an army revolt in September 1988, resigned after five days of violent nationwide protests against his military government. In January, he had cracked down on opposition leaders, declaring a 10-day state of siege.

Control of the government passed to the army's chief of staff, Brigadier General Hérard Abraham, who said Saturday on state

See HAITI, Page 4

In Valparaiso, a Dictator's Garish Legacy

By Eugene Robinson
Washington Post Service

SANTIAGO — The new Congress hall in Valparaiso, where Augusto Pinochet surrendered the presidency on Sunday, is one of the more grandiose monuments to the dictator's 16-year rule.

More palace than office building, it fills a city block. The dominant element is a soaring portico flanked by a dozen columns with bases and capitals of polished red granite.

The new administration is not sure what to do with the building, which cost between $50 million and $60 million, with its computerized climate-control, its interior walls sheathed in gray Italian marble and its huge chandelier from the Netherlands. It is still not finished.

The major problem is that the building is in Valparaiso, 70 miles (110 kilometers) from Santiago. The logistics of having the seats of executive and legislative power so far apart seem problematic.

But the new government will have to use the building for something. The foundations were laid just a year ago, but General Pinochet has had construction crews of up to 2,000 men working around the clock. Like much that the general leaves, it is a fait accompli.

José Agarro Reuters
General Pinochet shortly before yielding office Sunday. Page 4.

And just outside the construction fence sprawls a different kind of monument to the Pinochet years — a teeming open-air bazaar, where on a recent weekday morning José Faria, a cobbler, was trying to sell shoes.

"I can make just enough money to subsist, but it's impossible to get ahead," he said. "Ask anyone around here, and they'll tell you that after Pinochet, things are worse."

General Pinochet's Chile has been the economic wunderkind of Latin America, generating steady growth — nearly 10 percent last year — while its neighbors have foundered. But macroeconomic indicators do not tell the whole story. Income distribution has worsened, and by some estimates 40 percent of Chileans live in poverty.

As the new president, the Christian Democratic Party leader, Patricio Aylwin, takes power, he faces the hopes and demands of the millions who have not benefited from the Chilean miracle.

And his room for maneuvers is sharply restricted by both economic realities and the terms of the Pinochet-inspired constitution.

The country remains split over General Pinochet himself, who continues as head of the army under the new civilian government.

Among the dispossessed, even the general's admirers look toward President Aylwin to act quickly to make their lives materially better.

With the 74-year-old General Pinochet departs the last of the authoritarian regimes that took power in Latin America in the 1960s and 1970s. On Sept. 11, 1973, the Chilean armed forces toppled the leftist president, Salvador Allende Gossens, who died in the coup. General Pinochet soon emerged as leader of the military junta and over the years came to be seen as a worldwide symbol of repression.

Thousands of people were herd-

See LEGACY, Page 4

Beijing's Intransigence Stings Bush

By Robert Pear
New York Times Service

WASHINGTON — President George Bush and officials in his administration say they are disappointed by the failure of China to relax its repressive rule in response to numerous conciliatory gestures.

The officials said that divisions in the Chinese leadership, compounded by fears about a resurgence of the democracy movement after the rapid democratic change in Central Europe, have made it difficult for Beijing to respond as Mr. Bush had hoped.

Those concerned about the meager results so far include the architects of Mr. Bush's policy and some who carried it out, including the deputy secretary of state, Lawrence S. Eagleburger.

He acknowledged in recent congressional testimony that repression continued after his visits to China, that there has been no "rapid payoff" from Mr. Bush's policy and that China has no plan to lift martial law in Tibet.

Mr. Eagleburger secretly visited Beijing with Brent Scowcroft, the president's national security adviser, in July and December.

Administration officials say the crackdown has become harsher in the last few months, with more surveillance of dissidents, more political education classes for students, more restrictions on overseas study and more persecution of the Roman Catholic Church and other religious groups.

They also said Beijing has recently purged or punished many Chinese journalists and police officials who expressed support for the democracy movement or did not take a firm stand against it.

Still, trade with China was booming even as repression in-

See CHINA, Page 4

The Real Hope for Peace in Europe: A Strong EC

Zara Steiner, an American historian and fellow of New Hall at Cambridge University, is writing "The Reconstructions of Europe, 1919-41" in the Oxford History of Modern Europe series. Last week she talked with Lawrence Malkin of the International Herald Tribune on the lessons of the interwar years.

Q. With the imminent end to the division of Europe, we are returning to more traditional relationships among European states. How do you see this through the perspective of the period between the two world wars?

A. From the Locarno Pact in 1925 and onward, Germany began to upset the post-war status quo. Today we have the question of reunification. In the '20s, the British wanted Germany to return to great power status as long as they believed her ultimate goals were pacific. The French had no alternative but to go along.

Now the British are afraid of seeing Germany again become the great power in the middle of Europe. British diplomats openly call for a return to the Entente Cordiale and say that Britain and France should be as close to each other as France has been to Germany. Many people here in Britain, and certainly [Prime Minister Margaret] Thatcher, are pulling back from German reunification.

Q. France has similar doubts.

A. The reasons are very much the same as in the 1920s. One factor is fear of the economic power of Germany. By the mid-1920s the French had failed to equal the balance. The British had plans to become the great financial power in Europe — as they have now — and they sacrificed everything in their manufacturing sector. The key difference is that in the 1920s you had

MONDAY Q&A

no European Community. There was the Briand plan in 1930 for a European federal union, but the British took the teeth out of it. If Mrs. Thatcher were really learning the lessons of the past, she would deal with Germany by strengthening the Community.

The other similar factor is of course the current American role. America's influence in Europe has diminished as her economic power has declined from that of creditor to debtor nation. The Germans are now the dominant voice in Europe.

Q. What then is Germany's role?

A. The German plea is that they have had a functioning democracy since 1949. *They keep asking us to concentrate on their* recent past. But neither the Germans themselves, nor Germany's neighbors, believe that German history began in 1949. Until 1848, when the Germans tried to create a national identity they did it through the Romantic movement on cultural grounds. Afterward, German identity and political unity were associated with economic progress.

From the Adenauer government onward, you have had a country that defines itself within an international frame of reference. Germany's relations with other countries have helped shape it as a nation, and that's a difficult position for any country to be in. On the question of Germany's borders, Chancellor [Helmut] Kohl has been checked by the Russians on the one hand and the Europeans on the other. What happened in Europe, and not in Germany itself, defined what Kohl had to do.

Q. Is Germany's strong attachment to NATO a guarantee of German responsibility, or is another dimension of statecraft needed?

A. NATO is not there because of Germany, but because Russia's future is questionable. Unlike some other historians I believe it has not *yet* reached great power status. Think of its huge resources, both human and material, that have barely been touched. To think that this is a power that is permanently in decline is just as foolish as the kind of European myopia that dismisses the United States.

There is also the fragmentation of Eastern Europe. The Warsaw Pact held that part of the world together, and it is disintegrating every day. What you're going to have is a lot of small, weak countries. That's exactly what you had in the 1920s, and that's the danger. I don't know what security system will take the place of the Warsaw Pact, but you have to have one.

We can see Bonn pressing for extension of its political influence in Eastern Europe. We have pressure from the Germans in the East, whether in Silesia or Romania or Yugoslavia, and it is being fomented by Bonn itself. The Germans abroad continue to have a push-pull relationship with Germany. I'm not sure that NATO is the framework to keep Germany responsible.

Q. What do you propose?

A. The only real hope for the peace of Europe comes from a strengthened European Community. Only if Britain will now move with the French through the Community will we have the kind of pressures applied to make sure that Germany acts responsibly. This is what the British did not do in the '20s or the '30s. Remember, France and Britain are two nuclear powers. They are also middle powers like Germany, and they have behind them the force of history.

Until now, West Germany has been contained in the Community by France. But its horizons are expanding toward the East, and something more is needed. France is helpless without Britain, just as it was in the '20s and '30s. Britain has the language and the international diplomatic and financial network. Paris alone cannot contain Germany as it finds its vocation in Eastern Europe.

Gysi, on Hustings, Draws Some Cheers

Communists Finding a New Voice

By Serge Schmemann
New York Times Service

ERFURT, East Germany — All but written off a few weeks ago, the humbled and shrunken Communist Party, redubbed the Socialist Unity Party of Germany-Party of Democratic Socialism, has found a new voice as the champion of East Germans increasingly fearful of West Germany's overbearing political and economic embrace.

Again and again, a crowd of about 5,000 broke into cheers as Gregor Gysi, 41, the chairman of the Socialist Unity Party, went to the heart of their anxiety.

"It should not be that the people of the G.D.R. get rid of one dictatorship only to submit to a dictatorship of big business," he said at a rally last week. "Both Germanys have to change. We have the courage to dream, and to dream not only of Deutsche marks. We are against a forced merger of the two Germanys; that would be total capitulation before the powers of *capital.*"

"The West German Constitution doesn't even recognize a right to work," Mr. Gysi said. "It just says you can choose a job — if you can find one. That's the same with currency union: It all sounds good, but don't let yourself be fooled. At West German prices, we will all be as poor as beggars."

Six months ago, such talk from a Communist official would have been a dismissed as cheap propaganda. But this crowd shouted its approval as Mr. Gysi, the lawyer who took charge of a disintegrating East German Communist Party in December, spoke to the spreading fear that union with West Germany would mean the loss of the one guarantee of the East German state: cradle-to-grave security.

Mr. Gysi's message was that only his party stood firmly against instant annexation by the West Germans — and for a negotiated union in which East German interests, security and "values" could be protected.

Such words have found increasing acceptance in a growing backlash against the rush to unity led by Helmut Kohl, the West German chancellor. In both Germanys, there is a perception that a rapid merger would carry too high a cost for both sides.

The fear of *anschluss*, forced annexation, has spread as politicians, businessmen and tourists have swarmed over East Germany in the last two months, usurping its politics, buying up products and hunting for business opportunities.

The "invasion" has had frightening overtones, including the revival of claims by West Germans to property in East Germany. A West German business newspaper quoted the president of the national chamber of commerce as calling for the return of all factories and real estate ever expropriated by East Germany.

The wavering mood of East Germans was reflected in poll results reported by West German television. The survey found more than half of East Germans undecided on how they would vote in elections March 18.

Asked which party they preferred, 30 percent said the Social Democrats, 21 percent the Christian Democrats and 15 percent the former Communists.

There is little indication that the communist Socialist Unity Party stands to garner more than the polls suggest. But its identification with the fears of the common man marks a reversal of its political role of only a few months ago, when East Germans marched in the streets to protest a bullying and cynical governing party. It is to the same party that they now turn for protection against bullying and cynical invaders from the West.

"Many people are very uncertain about their future, about their kids, their pensions," said an East German agricultural technician as he left the hall after Mr. Gysi's speech, "because up to now, the state has cared for everything."

Michael Probst/Reuters

Gregor Gysi, foreground, the 41-year-old Communist Party leader, receiving some help from an instructor shortly before he landed on a low-level parachute jump in Friedersdorf, East Germany.

Italy's Communists Seek a New Identity

By Clyde Haberman
New York Times Service

BOLOGNA, Italy — Italy's troubled Communist Party, the largest in the West, has agreed *after four days of soul-searching* to transform itself into a new political grouping known for now only as The Thing.

What The Thing will be is not expected to become clear until later this year.

But one point was certain at the special congress that ended during the weekend in this Communist stronghold in central Italy: The party, spurred by the tumult in Eastern Europe, intends to acquire a new name, a new symbol and a new social democratic philosophy that it hopes will make it more palatable to Socialists, Greens and assorted leftists who cannot bring themselves to vote for the Communist label.

Otherwise, Communist leaders fear, they will be doomed to the opposition ghetto where they have languished despite their control of many city halls and *command of the largest Italian* party after the long-dominant Christian Democrats.

"We faced choices that were risky and rich in imponderables," Achille Occhetto, the party secretary, told 1,100 delegates who filled a sports arena.

Mr. Occhetto, the prime force for Communist change, said that only a reconstructed, broader-based left could provide a "democratic alternative" capable of sweeping the Christian Democrats from power.

Although the debates continued into Saturday evening, the result was never in doubt because the party leader claimed support from two-thirds of the delegates.

Still, Mr. Occhetto fought a difficult battle against a sizable minority of traditionalists who insist that the party must retain its identity even as it undergoes change.

That such a group even exists underlines the pluralism that has overtaken this once-monolithic organization, which broke with Moscow two decades ago after the Soviet-led invasion of Czechoslovakia.

As this minority sees it, the Communists in years gone by led the fight against Italian fascism, and thus for democracy.

Why, they ask, should they now abandon their name and hammer-and-sickle symbol, just because these were abused by dictatorial regimes in the East?

It remains to be seen whether the rival groups will be able to unify before another party congress is held at year's end to settle on a specific new name and emblem.

A more immediate question is whether the divisions will disenchant Communist voters in the nationwide local elections scheduled for early May.

Besides dealing with dissidents within his own party, Mr. Occhetto must eventually strike a deal with the other large force on the Italian left, the Socialist Party.

In the last few days, the Socialist leader, former Prime Minister Bettino Craxi, has been cautiously favorable to the new Communist strategy.

But Mr. Craxi sees himself as ultimately guiding the type of leftist alternative that Mr. Occhetto proposes, so Italian political commentators expect a long, possibly bitter, tug-of-war.

Defying Law, Israeli Meets Arafat 7th Time

Reuters

TUNIS — The Israeli pacifist Abie Nathan, who served a four-month jail term in Israel for meeting Yasser Arafat, said he held another meeting with the Palestine *Liberation Organization* leader in Tunis on Friday. Israel bans contacts between its citizens and members of the PLO.

Mr. Nathan, after his seventh meeting with Mr. Arafat since 1982, said that he spoke with him for an hour, making "several proposals on what could be done relating to bringing about a climate of peace and reducing some of the misgivings on both sides, to create hope and understanding."

Lord Stewart, Former U.K. Official, Dies

The Associated Press

LONDON — Former Foreign Secretary Michael Stewart, 83, died Saturday after a brief and undisclosed illness. He was 83.

Between 1964 and 1970, Lord Stewart served twice as foreign secretary in the Labor government of former Prime Minister Harold Wilson and also held the position of secretary of state for Economic Affairs. Lord Stewart was a Labor member of Parliament for 34 years before receiving a life peerage in 1979. He became Lord Stewart of Fulham and moved into the House of Lords, where he remained active until his illness.

As foreign secretary during the Vietnam War, Lord Stewart came under pressure from the opposition Conservative Party over Britain's refusal to commit troops to aid the United States. He also faced criticism from leftist Labor Party members who said that the government was too sympathetic to the United States.

Lord Stewart was also known as a writer. One of his best-known works was "European Security: The Case Against Unilateral Disarmament." Lord Stewart was born in London and graduated from Oxford University before serving in the Army Intelligence Corps during World War II.

Kuwait Bans 'Zionist' Scent

Reuters

KUWAIT — Kuwait banned a perfume on Saturday named for *Julio Iglesias because of the Span*ish singer's "Zionist inclinations," the official Kuwait News Agency reported. His music also is banned in Kuwait.

Elmer T. Klassen, 81, Ex-Postmaster General

PALM HARBOR, Florida (NYT) — Elmer T. Klassen, 81, a former U.S. postmaster general who rose from messenger to president of the American Can Corp., died of congestive heart failure Tuesday at a nursing home.

In 1971, Mr. Klassen became the first postmaster general named, not by the president, but by the Postal Service's board of governors under new federal legislation. He became the 60th postmaster general in 1972, serving until 1975 when he retired and moved to Palm Harbor. From 1969 to 1971, he had been deputy postmaster general. Mr. Klassen helped shape the 1970 Postal Reorganization Act, which made the Post Office Department an independent agency in the executive branch. In 1965, he became president of American Can.

■ *Other Deaths:*

Michael Silva, 64, a U.S. drummer who backed up Sammy Davis Jr. from 1958 to 1968 before settling in France, Thursday of a heart attack in Paris.

Ann Warner, 82, the widow of one the founders of Hollywood, Jack L. Warner, Thursday of diabetes and a heart problem in Beverly Hills, California.

Jackson Martindell, 89, founder of the American Institute of Management, a management consultant and onetime publisher of "Who's Who in America," of cancer Wednesday in Fort Lauderdale, Florida.

Robert L. Kaufman, 63, the former president of Mollie Parnis Inc. and a former president of the New York Fashion Council, Thursday of complications from lung cancer in New York City.

Tseng Kwong Chi, 39, a Hong Kong-born artist and photographer who for the last 10 years documented the Manhattan art scene and the works of the artist Keith Haring, Saturday of AIDS in New York City.

Exile Leader Fuels Debate On German Land Claims

Compiled by Our Staff From Dispatches

BONN — A leader of millions of German exiles said Sunday that neither Poland nor the Soviet Union had a legally established claim to German territory lost in World War II.

Herbert Hupka, leader of the Association of Silesian Expellees, added fuel to the dispute over Poland's western border in a speech commemorating the 40th anniversary of the organization.

"There is no historical, ethical or legally established claim for Poland or the Soviet Union on East Germany beyond the Oder and Neisse," Mr. Hupka told expellees in Minden.

The Oder and Neisse rivers form Poland's present western border and contain the former German province of Silesia.

On Friday, the Polish president, General Wojciech Jaruzelski, obtained the backing of President François Mitterrand of France for a binding commitment on the border.

Mr. Hupka said, "Whoever supports recognition of the Oder-Neisse line as the border is acting against the German people's right to self-determination and in keeping with the principle 'might before right.'"

More than three million Germans either fled from Silesia before the advancing Red Army in the closing stages of the war or were driven out later, leaving a German minority behind.

Silesia was included in large tracts of prewar German land awarded to Poland by the Allies in 1945 in return for the loss of larger eastern territories annexed by the Soviet Union.

Hartmut Koschyk, spokesman for the largest expellees' group, said that present and previous inhabitants of the former German territory should decide themselves if they wanted it to be a part of Germany.

Mr. Koschyk, general secretary of the Association of East European exiles, said in the organization's newsletter that the present and former inhabitants should be allowed to vote on the territory's future.

Chancellor Helmut Kohl enraged the Poles early this month by saying that the price of a border guarantee would be the renunciation of any claim to wartime reparations from Germany.

Backing down last week before a storm of criticism from Poland, Bonn's Western allies and his own *liberal coalition partners, he sup*ported a parliamentary resolution assuring Poland that West Germany had no claim against its borders.

But Mr. Jaruzelski expressed dissatisfaction with the resolution, saying it marked only a quarter-step forward.

West Germany has again rejected the suggestion that Poland should have a seat at the negotiating table when German unification is worked out.

Interior Minister Wolfgang Schäuble reaffirmed Sunday that the two German states and the four World War II victors would work out the details themselves.

In East Germany, campaigning for the country's first free elections entered its last week with opinion polls showing that the Social Democrats and a three-party conservative alliance might have to form a "grand coalition" after the vote next Sunday.

The polls suggested that the Alliance for Germany, backed by Mr. Kohl, and the Social Democrats were running virtually neck-and-neck and that neither would be able to form a government on its own.

Former Chancellor Willy Brandt of West Germany expressed hopes Sunday that the East German politicians would form a coalition government.

In a West German radio interview, Mr. Brandt, who is honorary president of the Social Democratic parties in both Germanys, said that East Germany would need a government supported by more than one party during the process of unification.

On Saturday, Mr. Brandt traveled to the Polish border at Frankfurt an der Oder to reassure Poles of the inviolability of their western frontier.

"Poland is not a country on wheels that can be rolled east or west at will," Mr. Brandt said after meeting with local Polish officials on a bridge over the river.

"The border is fixed, but it must be more open," he added, "for both Germans and Poles to cross."

(Reuters, AP)

China Protests Dissident Radio

Agence France-Presse

BEIJING — China has protested the start-up in France of a radio ship that plans to broadcast dissident radio programs for three months from international waters off China beginning in April.

A Foreign Ministry spokesman said that the Federation for Democracy in China, the main group behind the plans for the 1,200-ton Goddess of Democracy, now in the port of La Rochelle, was "an organization engaging in activities aimed at subverting the government of the People's Republic of China."

The Paris-based federation, the French monthly magazine Actuel and 18 other foreign media are behind the idea of using of the former British oceanographic vessel to beam radio programs to China.

WORLD BRIEFS

Iraq Condemns Observer Journalist

LONDON (Reuters) — An Iraqi court has condemned a British-based journalist, Farzad Bazoft, to death for spying, and a British nurse to 15 years in prison for helping him, sparking a diplomatic quarrel between the two countries.

Prime Minister Margaret Thatcher was "horrified" by the sentences, handed down Saturday, and sent a personal message to President Saddam Hussein of Iraq appealing for clemency, her spokesman said.

Mr. Bazoft, a reporter with the Observer newspaper who was born in Iran, was arrested in September while investigating reports of an explosion at an Iraqi military complex. The Foreign Office said Daphne Parish, a British nurse working in Baghdad who drove Mr. Bazoft to the forbidden area, was sentenced by the same court.

Bulgarian Opposition Seeks to Unite

PLOVDIV, Bulgaria (AP) — Bulgaria's non-Communist opposition agreed Sunday to set up a contact group to try to work out common action before multiparty elections scheduled for June.

The loosely-worded accord was adopted at the end of a three-day conference of opposition groups and parties aimed at uniting the non-Communist opposition before the elections.

The declaration was signed by the Union of Democratic Forces, the main opposition coalition, and 11 other parties: six members of another opposition alliance, the smaller Political Opposition Block, and five nonaligned parties. They were all either not invited to join the largest coalition or decided not to.

Pakistan Opposes a Kashmir Nation

ISLAMABAD, Pakistan (Combined Dispatches) — Pakistan remains against the creation of an independent state of Kashmir, Foreign Minister Sahabzada Yaqub Khan said Sunday.

Meeting journalists after Prime Minister Benazir Bhutto met with leaders of smaller political parties, he said that the Pakistani armed forces had been placed on alert because of the tension with India over Kashmir, but he added that "it is but natural in such a situation." He called for the countries to keep their contacts open to help avoid further escalation of tension over the Kashmiri secessionist movement.

Muslim residents of India's Jammu and Kashmir state seek secession from the predominantly Hindu country. Mr. Yaqub Khan said Pakistan's stand on the Kashmir dispute was rooted in the United Nations Security Council resolutions of 1948, 1949 and 1956, in which independence is not an option. India and Pakistan have fought two of their three wars since independence and partition in 1947 over the Kashmir issue and Pakistan has always opposed creation of an independent state.

Soviets and Hungary Set Pullout Date

BUDAPEST (Reuters) — Soviet troops will start leaving Hungary on Monday under a timetable for full withdrawal that leading opposition parties say they want to accelerate after Hungary's first free elections.

Two days after the withdrawal agreement was signed in Moscow, a first unit of the 50,000 troops in Hungary will board a train west of Budapest for the journey home, Hungarian Defense Ministry sources said.

The accord, which ends a Soviet military presence in Hungary uninterrupted since World War II, sets June 30, 1991, as the withdrawal deadline. Opposition parties contend that the accord should be renegotiated after parliamentary elections this spring to conclude the withdrawal by June this year.

Hawke Has 11-Point Lead, Poll Says

CANBERRA (UPI) — Prime Minister Bob Hawke's Labor Party holds an 11-point lead over the conservative Liberal-National Party alliance, but almost a quarter of the voters are undecided two weeks before the March 24 Australian election, a newspaper opinion poll said Sunday.

In the latest poll, published by the Sydney Sun-Herald, Labor was ahead with 33 percent of the vote, leading the conservative National-Liberal Party coalition opposition with 22 percent. A further 7 percent of the 9.8 million voters support the Australian Democrats, 3 percent back the pro-environmental Independents and 11 percent planned to spoil their ballots in protest, the poll indicated. A total of 24 percent were undecided.

The main issues in the election are the economy, the environment and social services.

TRAVEL UPDATE

The Germanys Re-establish Air Links

BERLIN (Reuters) — The first direct air links between East and West German cities since World War II have been initiated, the East German news agency ADN reported.

Flights on Saturday between Leipzig and the West German cities of Frankfurt, Munich, Düsseldorf and Stuttgart followed the lifting of allied restrictions on crossing the inter-German border. The first flights involved planes from both national airlines.

U.S. Warns on India Kashmir Travel

WASHINGTON (AFP) — The State Department warned U.S. citizens Friday to avoid Indian Airlines flights to Kashmir, in northern India, because of possible terrorist attacks.

The warning also advised people to stay out of the Jammu and Kashmir state, where more than 170 people have died in political violence since Jan. 20. The State Department said posters had appeared in India warning people not to take Indian Airlines flights to Srinagar, the Jammu and Kashmir capital.

Pisa's leaning tower, undergoing restoration, could be reopened to the public in three years, the Italian Ministry of Public Works said Sunday. The tower was closed for safety reasons on Jan. 7. *(AFP)*

Weekend tides filled the canals of Venice, which had sunk to dangerously low levels. Traffic on several canals came to a halt last week. *(AP)*

Two Singapore companies will build a pair of floating hotels for delivery to Moscow, according to the Soviet trade representative, A.N. Nazarov. Mr. Nazarov, in Singapore, said that Sembawang Holdings and Jurong Shipyard were teaming with four Soviet companies to build and manage the hotels for Moscow's river port. The contract is valued at $70 million, he said. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Gabon, Gibraltar, Lesotho, Mauritius.
TUESDAY: Zambia.
WEDNESDAY: Liberia.
THURSDAY: Hungary, Liberia.
SUNDAY: Congo.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	12	54	6	43	c
Athens	—	—	—	—	
Barcelona	19	66	7	45	s
Belgrade	15	59	3	37	s
Berlin	14	57	6	43	c
Brussels	13	55	5	41	c
Budapest	15	59	4	39	s
Copenhagen	9	48	2	36	c
Costa Del Sol	21	70	11	52	s
Dublin	11	52	5	41	c
Edinburgh	10	50	4	39	c
Faro	17	63	9	48	s
Florence	16	61	9	48	s
Frankfurt	13	55	5	41	c
Geneva	14	57	9	48	s
Helsinki	3	37	-2	28	c
Las Palmas	22	72	16	61	s
Lisbon	18	64	9	48	s
London	12	54	5	41	c
Luxembourg	13	55	5	41	c
Madrid	15	59	4	39	s
Milan	9	48	2	36	c
Moscow	1	34	-7	19	s
Munich	10	50	3	37	c
Nice	16	61	8	46	s
Oslo	7	45	2	36	c
Paris	13	55	5	41	c
Prague	14	57	5	41	s
Reykjavik	8	46	4	39	c
Rome	16	61	6	43	s
Stockholm	6	43	-4	25	c
Strasbourg	17	63	7	45	s
Venice	10	50	7	45	r
Vienna	17	63	6	43	s
Warsaw	10	50	3	37	s
Zurich	15	59	3	37	s
MIDDLE EAST					
Ankara	—	—	—	—	
Cairo	20	68	13	55	su
Istanbul	—	—	—	—	
Jerusalem	18	68	9	48	s
Tel Aviv	14	57	11	52	r
OCEANIA					
Auckland	23	77	12	54	c
Sydney	21	70	17	63	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	25	77	s
Beijing	12	54	2	36	s
Hong Kong	20	68	16	61	s
Manila	29	84	20	68	s
New Delhi	28	82	17	63	s
Seoul	7	45	-2	28	s
Shanghai	13	55	4	39	s
Singapore	31	88	24	75	t
Taipei	23	73	16	61	s
Tokyo	17	63	8	46	s
AFRICA					
Algiers	—	—	—	—	
Cape Town	26	79	15	59	s
Casablanca	19	66	11	52	s
Harare	28	82	15	59	s
Lagos	32	90	25	77	t
Nairobi	28	82	14	57	s
Tunis	20	68	7	45	s
LATIN AMERICA					
Buenos Aires	27	81	16	61	s
Lima	25	77	17	63	s
Mexico City	25	77	11	52	s
Rio de Janeiro	33	91	24	75	s
NORTH AMERICA					
Anchorage	1	34	-10	14	sn
Atlanta	21	70	11	52	s
Boston	15	59	5	41	s
Chicago	21	70	13	55	s
Denver	16	61	1	34	s
Detroit	19	66	11	52	s
Honolulu	29	84	22	72	s
Houston	27	81	17	63	s
Los Angeles	17	63	11	52	s
Miami	28	82	21	70	s
Minneapolis	18	64	2	36	s
Montreal	9	48	1	34	sn
Nassau	28	82	22	72	s
New York	16	61	10	50	s
Phoenix	21	70	9	48	s
San Francisco	17	63	9	48	s
Seattle	9	48	2	36	r
Toronto	12	54	2	36	s
Washington	24	75	12	54	s

cl-cloudy; fa-fairy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Overcast. Temps. 12 — 6 (54 — 43). LONDON: Partly cloudy. Temps. 13 — 9 (55 — 48). MADRID: Stormy rains. Temps. 15 — 6 (59 — 43). NEW YORK: Showers. Temps. 16 — 11 (61 — 52). PARIS: Overcast. Temps. 14 — 8 (57 — 46). ROME: Fair. Temps. 20 — 3 (68 — 38). TEL AVIV: Not Available. ZURICH: Cloudy with rains. Temps. 17 — 1 (63 — 34). HAMBURG: Showers. Temps. 10 — 4 (50 — 39). HONG KONG: Fair. Temps. 20 — 19 (77 — 66). MANILA: Fair. Temps. 31 — 20 (88 — 77). SEOUL: Fair. Temps. 9 — 2 (48 — 36). SINGAPORE: Fair. Temps. 31 — 24 (88 — 75). TOKYO: Cloudy. Temps. 15 — 7 (59 — 45).

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Guerrillas In Poll in Colombia

They Disarmed To Get on Ballots

Compiled by Our Staff From Dispatches

BOGOTA — Colombians went to the polls Sunday to elect local and legislative officials, two days after a leftist guerrilla group signed a peace agreement with the government and joined the political campaign.

The names of several former guerrillas of the April 19 Movement, which had waged a 16-year war against the government, were on ballots. They had turned in their arms Thursday.

But other Marxist-led guerrilla groups have stepped up their activities in recent days in an effort to disrupt the elections.

The government placed 230,000 soldiers and police officers on guard at polling stations and military and petroleum installations. It said that only a few southern and northeastern towns were threatened by the guerrilla drive.

But scores of politicians have died during the campaign, and three leftist politicians and two candidates of the governing Liberal Party were killed Friday and Saturday, the police said. In addition, two soldiers guarding voting precincts in the town of Chaparral were killed late Saturday by unknown gunmen.

There were no reports of violence Sunday as polling began. But there were some signs of voting irregularities. The president of the Electoral Registry, in charge of monitoring the vote, announced last week that the authorities had caught people registering two or more times in order to cast several ballots.

Voters, in Colombia's first primary-style ballot, were also deciding who would represent the governing Liberal Party in presidential elections on May 27. Six "pre-candidates" have campaigned for the past six months.

There are three front-runners among the Liberals — César Gaviria, Hernando Duran Dussan and Ernesto Samper — and one is expected to win the primary and succeed President Virgilio Barco Vargas in the office after presidential elections May 27.

The Conservative Party and the Patriotic Union used the traditional party conventions to choose their candidates, Rodrigo Lloreda Caicedo and Bernardo Jaramillo, respectively. *(UPI, AP)*

Agence France-Presse

Carlos Pizarro, leader of the M-19 guerrilla movement, arriving at a center to turn in weapons.

■ Weapons Melted Down

Douglas Farah of The Washington Post reported earlier from Santo Domingo, Colombia:

The M-19 Movement, once one of the most violent and feared armed groups in Latin America, has begun its role in civilian political life with guerrillas turning over their guns to representatives of the Socialist International.

The weapons were melted into scrap iron at a refinery in the city of Cali last week.

"We all know that what we are doing is not easy," said Mr. Pizarro, the M-19 leader, in his last address to his troops in a rebel camp in Santo Domingo, in the mountains southwest of Bogotá. "Some of us have been fighting for years. This is our most difficult step."

His troops, dressed in camouflage uniforms, then marched across the dusty village square and laid their weapons, wrapped in red, yellow and blue M-19 flags, on a table as an officer gave the order: "For Colombia and for peace, lay down your arms."

More than 400 of the former guerrillas took off their uniforms and burned them, picked up freshly supplied civilian clothes, shoes and suitcases for their meager personal belongings and boarded buses for the dusty ride down the mountain road to begin life as civilians.

Mr. Pizarro, running for mayor of Bogotá, met with Mr. Barco in the presidential palace.

"Citizen Carlos Pizarro and members of the M-19, welcome to democracy," Mr. Barco said.

Many of Mr. Pizarro's former comrades in arms are seeking congressional seats.

Political analysts give them little chance of winning, but government sources say that Mr. Pizarro may act as an official mediator between the government and other leftist guerrilla groups in any future peace talks.

In exchange for returning to civilian life, M-19 members were granted amnesties and were promised that a constitutional amendment granting the group special treatment in the next elections would be proposed.

The amendment would create an electoral formula that would virtually guarantee that the M-19 would gain seats in the national legislature.

But the history of legal leftist politics in Colombia is not encouraging. In 1985, the Patriotic Union, a coalition of leftist forces including the Communist Party, was formed. The Patriotic Union has become the third-largest party in the country, although much smaller than the Liberals or Conservatives, but 1,030 of its members have been assassinated.

AIDS Group Intimidates Researchers

By Gina Kolata
New York Times Service

NEW YORK — Sooner or later, anyone whose work involves issues related to AIDS could encounter the militant tactics of the group called Act-Up.

For some scientists and federal officials, it happened last August at a public meeting of the Food and Drug Administration in Washington.

Larry Kramer, a New York playwright, took the floor.

"I helped found Gay Men's Health Crisis and watched them turn into a sad organization of sissies," he said. "I founded Act-Up and have watched them change the world."

Then, in a speech punctuated by obscenities, came the threats.

Mr. Kramer demanded that people with AIDS be allowed to take experimental drugs "with as few strings attached as humanly possible" while the drugs are being tested.

"If we do not get these drugs, you will see an uprising the like of which you have never seen before since the Vietnam War in this country. We will sabotage all of your Phase II studies," Mr. Kramer said, referring to the clinical trials required to test a drug's efficacy. "Our chemists will duplicate your formulas."

Scientists were shocked, said Dr. Paul Meier, a University of Chicago statistician who attended the meeting.

Yet Act-Up, the acronym for the AIDS Coalition to Unleash Power, got its way: The FDA decided to allow drug companies to distribute experimental drugs to AIDS patients while the drugs were in clinical trials.

"My impression was that the administrators at that meeting were afraid of Act-Up and were taking a position to avoid being attacked by them rather than in the best interests of science," Dr. Meier said. "I find that very distressing."

Act-Up, a loosely organized group of AIDS patients and their advocates that formed in 1987, represents a new element in American science.

Many scientists say they fear that the immediate gains of Act-Up will come at the expense of long-term AIDS research, and will alienate scientists or drive them from the field.

"There never was a politically savvy group of sick people before," said George Annas, director of the Law, Medicine and Ethics Program at the Boston University School of Public Health.

Mr. Annas said that other groups, like cancer patients, "have never been very effective" because "other than their cancer they don't have anything in common."

Among homosexuals, however, there is a cohesiveness and a body of experts in politics, press relations, advertising and law that they deploy to fight for their agenda.

Mark Harrington, an Act-Up member who said he disagreed with some of Mr. Kramer's threats, said researchers and administrators "should be afraid of our power."

"The rapidity with which the FDA has changed is a testament to our power," he said. "That's what we intend to do now for the research process itself — speed it up. It's time for the community to help call the shots."

Mr. Kramer predicted that the threats and demonstrations would intensify.

Government officials and scientists have been harassed for disagreeing with some of the group's proposals.

Dr. Jerome Groopman, an AIDS researcher at the New England Deaconess Hospital, said that when he and Martin Hirsch, a researcher at Harvard Medical School, gave a lecture two years ago on the AIDS drug AZT, Act-Up members disrupted it, calling Mr. Hirsch a Nazi for promoting AZT.

The group now believes AZT is helpful in slowing the progress of the disease.

■ Lethal Experimental Drug

At least seven AIDS patients have died from the adverse effects of DDI, a highly regarded experimental drug that has been distributed free to thousands of people infected with the AIDS virus, The Washington Post reported.

Federal health officials said Saturday that they had asked the drug's manufacturer, Bristol-Myers Squibb, to send a letter to doctors treating patients with DDI, reminding them of its hazards. Early use of the drug had been demanded by Act-Up. About 8,000 people are taking DDI.

■ Doctor Gets $1.35 Million

Dr. Veronica Prego, a doctor who had sued the New York City hospital system for $175 million because she said she contracted AIDS by pricking her finger on a syringe negligently left on a patient's bed, is to be paid $1.35 million for settling her suit, The New York Times reported. The judge reversed himself Friday after earlier ordering that the amount not be disclosed.

Former Leaders In Tokyo and U.S. Plan a Meeting

New York Times Service

TOKYO — A group of former U.S. and Japanese officials is reported to be planning a conference on mutual problems that is to be attended by several former American presidents and Japanese prime ministers.

A Japanese newspaper said Saturday that the meeting, in Hawaii, is scheduled for May and is to be attended by former Presidents Ronald Reagan, Jimmy Carter and Richard Nixon. Also expected, it said, are former Prime Ministers Noboru Takeshita, Yasuhiro Nakasone and Sousuke Uno.

The newspaper attributed information about the meeting to unidentified government sources. But Robert C. McFarlane, a former national security adviser to Mr. Reagan, confirmed the newspaper report in Tokyo, saying plans were at a "tentative stage" among the leaders.

Mr. McFarlane said Mr. Carter had agreed to attend and that Mr. Reagan and Mr. Nixon were interested but that their formal response had not been received.

Soviets to Relocate Nuclear Test Site And Curtail Blasts Due to Protests

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Soviet Union, bowing to pressure from its citizens, has decided to end underground nuclear explosions at its principal test site in Central Asia within three years and to move a sharply reduced atomic testing program to a remote island within the Arctic Circle, according to Soviet and U.S. sources.

The move, announced in Moscow last week by a senior defense official at a parliamentary hearing, aims to satisfy residents near the Semipalatinsk test site in rural Kazakhstan, who claim they repeatedly have been exposed to radiation generated by the detonations.

The shift to an inhospitable Arctic site will force a reduction in the number of nuclear tests and hinder development of weapons, the sources said.

According to Soviet and U.S. sources, Colonel General Vladimir Gerasimov told a special joint meeting of the ecology and state security committees of the Supreme Soviet that the Defense Ministry was "ready to end nuclear tests by 1993" at Semipalatinsk after conducting 27 more underground blasts there.

At that rate, testing will be roughly 40 percent below Soviet practice.

Moscow's decision follows the unexpectedly swift development of a powerful grass-roots movement, reported to involve hundreds of thousands of citizens, under the leadership of a well-known Kazakh poet and legislator in the Supreme Soviet, Olzhas Suleimenov.

He lives near the Semipalatinsk test site and demanded that it be closed immediately after residents were exposed to radioactive gas leaks in two tests in February.

Yuri Shcherbak, a member of the ecology committee who led an investigation of the test site two months ago, said at the hearing that "the socio-psychological atmosphere in Semipalatinsk" was "extremely tense."

A special committee of the Soviet Academy of Medical Sciences determined last year that residents had experienced excess cancers, genetic diseases and child mortality because of radiation exposure while nuclear tests were conducted above ground prior to the U.S.-Soviet Limited Test Ban in 1963.

U.S. officials said they had been expecting an announcement about Semipalatinsk for some time.

Soviet officials have acknowledged canceling 11 of 18 tests planned last year because of pressures from the anti-nuclear group, which named itself "Nevada" after the site of U.S. nuclear tests.

A Bush administration specialist said that the Soviets would have to scale back their nuclear test program because of the shift from Semipalatinsk to Novaya Zemlya, a large island in the Barents Sea.

The planned expansion of the Novaya Zemlya site already has provoked concerns in Norway.

"If the information is correct," Foreign Minister Kjell Bondevik said last week, responding to rumors of the announcement, "we will express our concern and do what we can to get the Soviet Union to change their plans."

AMERICAN TOPICS

A Day-Care Center For Young and Old

While corporate day care centers for children are springing up across the United States, Stride Rite Corp. may be the first to welcome elderly people as well. It takes in children aged 18 months to 6 years and adults over 60, those whose biggest problem is not personal health but filling lonely days with a sense of purpose.

When the center in Cambridge, Massachusetts, becomes fully operational, it will accommodate 55 children and 24 adults, The New York Times reports. Costs are estimated at $150 a week to take care of a preschooler, $170 for a toddler and $140 for an old person. Employees of Stride Rite, which makes shoes, pay from $20 to $130 a week for the children, depending on the family's income, and $85 a week for the older adults. The balance comes from a foundation set up by the company. Outsiders pay full costs, with some low-income families aided by state subsidies.

For the moment, the elders' and children's groups meet only for meals and and occasional outdoor walks, but a few of the youngsters now gather for the elders to read them stories.

Short Takes

Two ministers from Gallaudet University, the Washington, D.C., liberal arts college for the deaf, opened a day's business of the U.S. Senate last week with a prayer in sign language.

Cigarette makers should not sponsor sporting events, says Dr. Louis W. Sullivan, secretary of Health and Human Services, suggesting that role models for the young should not be identified with smoking. But Ira Berkow, a New York Times sportswriter, says that a cigar maker's sponsorship of Chicago Cubs and White Sox baseball games on television did not make him into a cigar smoker when he was growing up, nor did beer commercials during those games make him a drinker. He says, "Kids can and do make distinctions between what's for grown-ups and what's not, and what's right and what's not.

Shorter Takes: Robbers of a restaurant in Santa Monica, California, ran off with the adding machine instead of the cash register. "They aren't real pros," a police sergeant said. ● Now playing on the New York stage: a one-woman show starring Marilyn Sokol with the title, "Guilt Without Sex."

Notes About People

Environmentalists are urging **Bob Hope** to donate his extensive real estate holdings in the mountains west of Los Angeles to a national park. The 86-year-old entertainer, whose fortune is estimated at $150 million, started acquiring the land in the 1950s. Now he plans to sell it off. He can get far more from developers than from the National Park Service, so park advocates are pegging their appeals to the charitable side of a public figure known for his frequent trips to far-off places to entertain U.S. servicemen.

Lithuanian Visitors Wear Out Welcome

East German refugees have worn out their welcome in West Germany, and Lithuanian visitors are wearing out theirs in the United States, The Washington Post reports. The Lithuanians come not as refugees but as relatives and friends, or friends of friends. The Post says, "They can't bring any money, they plan to stay with you, and they just know you'll show them America. All of it."

Victor Nakas, manager of the Lithuanian Information Center for the Washington metropolitan area, said, "You could say some people are getting — how can I put it — a little fatigued."

Linos Kojelis, an investment consultant, said, "They get off the plane with lists of which stores are best for stereo equipment and which for video cassette recorders." And "they expect those to be presents."

Arthur Higbee

Managua Grants Wide Amnesty to Sandinista Aides

Compiled by Our Staff From Dispatches

MANAGUA — The National Constituent Assembly has granted amnesty to officials who may have committed crimes such as bribery and embezzlement during the period of Sandinista rule that began July 19, 1979.

Deputies in the Sandinista-dominated legislature said that the law, passed Saturday by a vote of 66 to 3 with 3 abstentions, will protect outgoing officials from possible "witch hunts" by the government of President-elect Violeta Barrios de Chamorro, which is scheduled to take over on April 25.

It was not specified when the law would take effect. Opposition leaders have said that such a law would give officials free rein to loot public coffers.

The law also grants amnesty for contra rebels as well as for possible crimes committed by Sandinista soldiers during their war with the rebels. A main obstacle to a smooth transfer of power is potential friction between the Sandinista army and the 13,000-member contra force, most of it in Honduras, over demobilization and disarmament.

A spokesmen in Honduras said Saturday the contras would ask that special enclaves be set up in Nicaragua for the rebels before they demobilize. The proposed zones would be under international surveillance. *(Reuters, AFP)*

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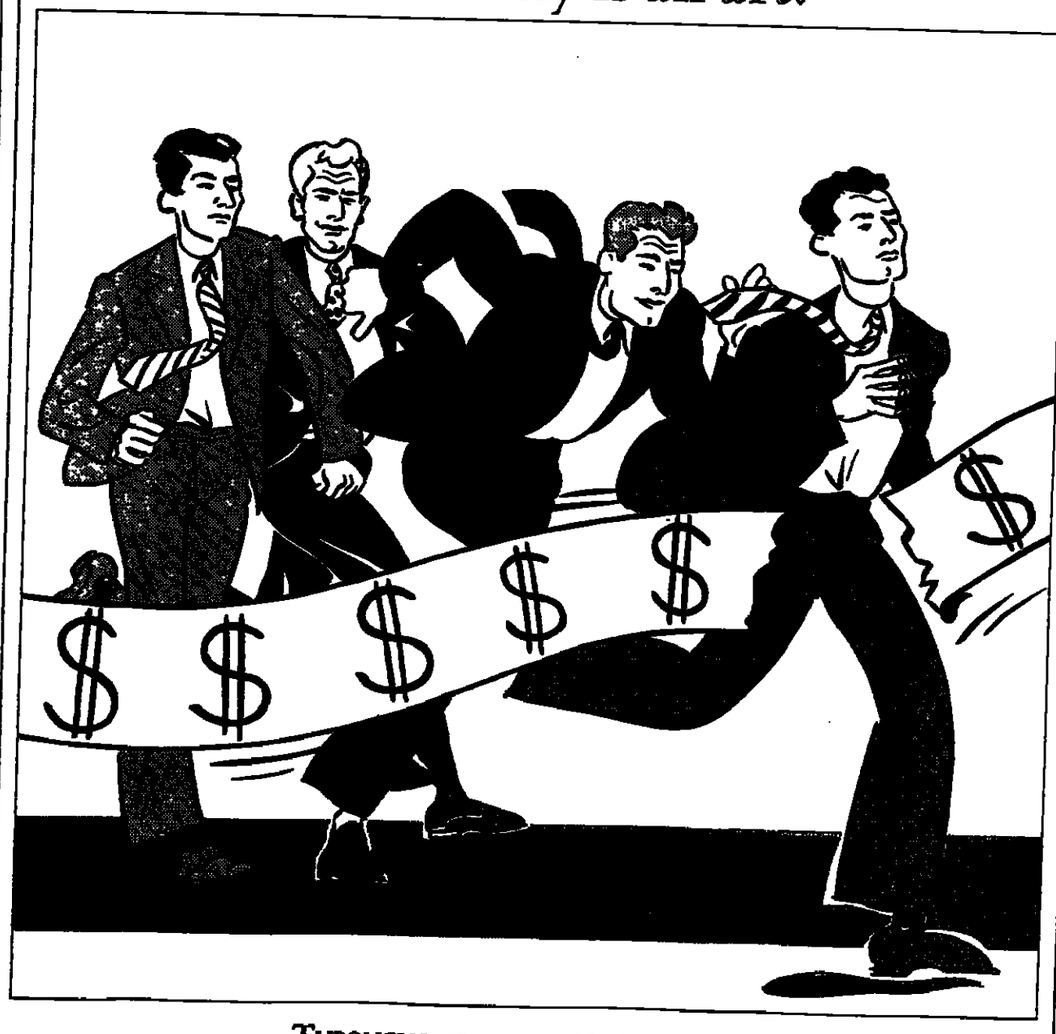

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ACROSS

1 —— mater
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9 Concerns of trout fishermen
14 Roulette bet
15 Encompassed by
16 Ship's lowest deck
17 Pine or palm
18 The —— Ranger
19 Lanai
20 Alan
23 Suffix with depart
24 Nectar inspector
25 Esprit de corps
29 Norse god of war
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36 Enoch's father
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40 —— Bombeck, author-columnist
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44 Printer's direction
45 Swinger at the plate
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47 Jackie's second spouse
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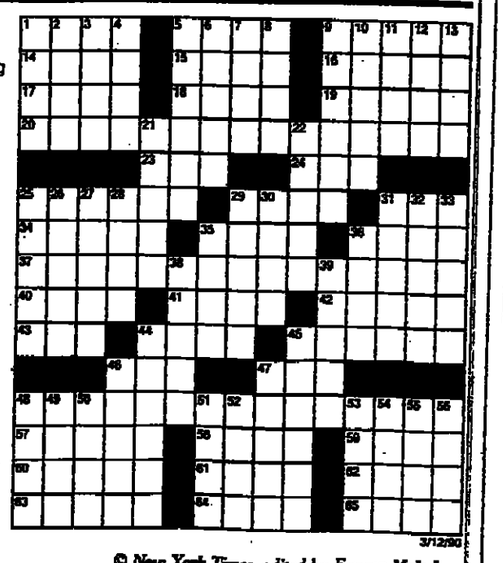
22 S. American snake
25 Coupled
26 Pigment for Gainsborough
27 Rawhide thongs used in Africa
28 Looped handle
29 Doctrine
30 Leveret
31 Joan of Arc, e.g
32 Touch of color
33 Noted racing driver
35 Fashion
36 Small voucher
38 Jots
39 Series of links
44 Steps over rural fences
45 Thorny bushes
46 Habituate
47 Eagle's nest
48 Bygone
49 " . . walk —— my parlor?": M. Howitt
50 Soon
51 Waste allowance
52 Renown
53 Newhart and Crosby
54 Level
55 City in Nev.
56 Expanded



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Solution to Friday's Puzzle

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Democracy Returns To Chile After 16 Years As Pinochet Bows Out

Compiled by Our Staff From Dispatches

VALPARAISO, Chile — General Augusto Pinochet surrendered the presidency Sunday to an elected successor, Patricio Aylwin, ending 16 years of military rule.

Amid loud applause and chants of "Aylwin, Aylwin" from invited guests and Congress, the former opposition leader recited the oath of office, then donned the red, white and blue presidential sash.

Smiling broadly, he then kissed his wife and shook hands with the U.S. vice president, Dan Quayle, and Presidents Carlos Saúl Menem of Argentina, Luis Alberto Lacalle of Uruguay and José Sarney of Brazil.

Later Sunday, Mr. Aylwin pardoned all political prisoners and named a cabinet including both rightists and leftists.

General Pinochet, 74, also shook the new president's hand and then quickly left the inaugural hall, where his entrance had sparked competing chants of "Pinochet, Pinochet" and "murderer, murderer" from the galleries.

Mr. Aylwin, a 71-year-old political veteran, won a December election that resulted from General Pinochet's 1988 defeat in a referendum on a new eight-year presidential term.

The inauguration took place in the House chamber of the partially finished congressional building.

General Pinochet will remain as commander of the 60,000-member army, rejecting Mr. Aylwin's request for his resignation.

A total of 14 world leaders visited Chile for the inauguration. Some of them delayed their arrivals in apparent snubs to General Pinochet.

The outgoing foreign minister, Hernán Errazuriz, criticized their decisions, saying they displayed "a lack of education."

Except for a papal tour in 1987, the last visit by a head of state to Chile was that of the Brazilian military president, João Figueiredo, in 1982.

Vice President Quayle encountered anti-U.S. demonstrators when he met with General Pinochet for a 25-minute protocol visit early Sunday at the general's Santiago residence. Some shouted "Go away" or "Chile is not for sale." There was no violence, but Secret Service agents canceled plans for a sidewalk news conference.

Congress met for the first time Sunday since the 1973 coup that installed General Pinochet in power. Under the law approved by the military government, Congress is to sit in Valparaiso, where General Pinochet was born. Traditionally, lawmakers have met in Santiago.

Mr. Aylwin swore in his cabinet, including 10 Christian Democrats, six Socialists, two Radicals, one Social Democrat, one independent and one member of the center-right.

New ministers included Enrique Silva Cimma of the Radical Party as foreign minister; Enrique Krauss, Christian Democrat, to head the Interior Ministry; Patricio Rojas, Christian Democrat, for defense; and Alejandro Foxley, Christian Democrat, as the new finance minister.

In Moscow, the official Tass news agency reported Sunday that the Soviet Union and Chile had renewed diplomatic ties after a 17-year break. *(UPI, Reuters, AP, AFP)*

LEGACY: *Garish Monument*

(Continued from page 1)

ed into the national stadium in Santiago in the days after the coup, to be killed, sent into exile or simply to disappear. Torture and other systematic human rights violations have been documented.

Most of the world leaders and other dignitaries who planned to come to Chile to mark the transfer of power scheduled their arrivals for late Sunday or Monday, after Mr. Aylwin had already assumed the presidency, to avoid having to meet General Pinochet.

Mr. Aylwin, 71, a cautious, moderate political veteran who bitterly opposed the Allende regime, headed a broad opposition coalition made up of 16 parties ranging from socialist factions on the far left to the middle-of-the-road Christian Democrats. In October 1988 the coalition defeated General Pinochet in his bid to win eight more years in office through a national plebiscite. Last December, Mr. Aylwin easily won a four-year term as president.

General Pinochet leaves behind a changed Chile. The once-powerful labor unions have been enervated by restrictive laws. Industries that had been nationalized under the socialists are in private hands. The Pinochet-sponsored constitution, approved in 1980 in a referendum that many observers believe was riddled with fraud, limits the new administration's maneuverability and stacks the newly reconstituted congress with a bloc of Pinochet-approved senators who will be able to weaken, if not halt, many changes.

Mr. Aylwin's coalition has proved resilient over the past two years, and there is agreement even from the socialist parties not to try to move too quickly to dismantle the house that General Pinochet built.

The new president has announced that he will call a special session of Congress, but the first steps are expected to be largely symbolic.

It is understood that there will be no trial of the military for crimes against human rights committed during the dictatorship — especially with General Pinochet still in control of the army.

Mr. Aylwin will, however, face pressure from the far left — as evidenced by a string of 12 minor bombings late Friday at sites such as a pro-Pinochet newspaper, a building formerly used by the now-dissolved secret police and a park across from the U.S. consulate. Three persons were injured in the explosions, but there was little other damage.

Perhaps the major short-term challenge for Mr. Aylwin and his team will be to keep their promise to continue General Pinochet's free-market policies, which have kept inflation low and made Chile attractive to international investors.

Agence France-Presse

Vitautas Landsbergis, elected Sunday as the Lithuanian leader.

VILNIUS: *Vote for Independence*

(Continued from page 1)

Lithuanian parliament to restore the republic's independence and called on all parties to avoid violence, news agencies reported.

["The United States would urge the Soviet government to respect the will of the citizens of Lithuania," the White House spokesman, Marlin Fitzwater, said.]

In its resolution, the parliament declared, "Expressing the will of the people, the Supreme Soviet of the Republic of Lithuania resolves and solemnly proclaims the re-establishment of the sovereign rights of the Lithuanian state trampled upon by a foreign power in 1940."

Mr. Gorbachev has steadily retreated on the question of Lithuanian independence, but he said in private meetings last week that the republic would have to pay billions of rubles in hard currency as part of any final secession agreement.

And while Lithuanians spoke of genuine independence in a year or two, Mr. Gorbachev has drafted a law on secession procedures that could draw the process out five years or more.

Many Lithuanian legislators say they expect trying negotiations with Mr. Gorbachev and possibly even an economic blockage from Moscow in the months ahead.

"The pressure is going to be tremendous, but at this point our political interests must come before our economic fears," said Kazmiera Prunskiene, a Sajudis leader and economist elected prime minister of the republic.

Mr. Landsbergis said he was "not so naive" to believe that the declaration of independence ended all of Lithuania's existing ties with Moscow.

He said the act was intended to establish Lithuania's "legal position and popular will," its ability to write its own laws and conduct its own foreign policy. But he added that nearly all questions of economic relations with the Soviet Union, like taxes, state enterprises and currency issues, would have to be resolved in future negotiations with Moscow.

One of Mr. Gorbachev's Kremlin colleagues, Rasik Nishanov, the chairman on one of the two Soviet chambers of parliament, telephoned Mr. Landsbergis shortly before the start of the session and Sunday asked him to delay any vote on independence. But Mr. Landsbergis refused.

The Lithuanians said they were not so much declaring independence as reestablishing sovereignty after a 50-year period of illegal occupation bythe Soviet Union. The legislation put in place a temporary constitution — based mainly on the present legal structure — until a new constitution can be drafted and made law.

Algirdas Brazauskas, the Communist Party chief who lost out to Landsbergis in the election Sunday for head of state, said he thought the Lithuania drive for independence would have a "contagious" affect on other republics, but would not necessarily lead to the fall of the Soviet Union.

GORBACHEV: *Now a Centrist in a Country With a Shrinking Cente*

(Continued from page 1)

regimes and lending comfort to democratic alternatives.

He has acquiesced, so far, in the peaceful withdrawal of the Baltic republics — their creation of multiple political parties and private farming, their abandoning of communism and their determination now to restore the independent statehood that existed between the two world wars.

Dissidents who were in prison when Mr. Gorbachev came to power are now in parliaments. The works they were jailed for writing or even possessing have been published in official magazines and newspapers.

Five million Soviet citizens now work in private ventures called cooperatives, and the government has decreed an end to the state monopoly on industry and agriculture.

Political pluralism has become a reality, so far in the form of blocs and fractious alliances, but with a promise of full-fledged parties.

Perhaps most important, Mr. Gorbachev has begun the transfer of political power from the Communist Party to a law-based government, and from a fossilized center to more autonomous republics and local councils.

Mr. Gorbachev has, through it all, been endlessly watchable. More surfer than swimmer, he rides the crest of events, barely keeping his balance by knowing when to lean forward, when to cut back, sometimes teetering precariously but never losing his sense of direction.

The Soviet leader's devotees have long maintained that he did indeed have a grand strategy, a sense of where the country was headed, but for tactical reasons — to keep the old guard off guard, to let the populace outgrow its conservative instincts — he could not be fully honest about his radical intentions.

The release of the colonies he could no longer afford or contain, the creation of a political and economic hybrid borrowing from both socialism and capitalism — it was in the master plan all along.

Short of a polygraph test, it is hard to be sure how much Mr. Gorbachev foresaw five years ago, and how much he learned along the way.

But unlike the new governments of Poland or Czechoslovakia, Mr. Gorbachev has never had a democratic mandate to do what he is doing.

The more the unfamiliar notion of democracy seeps into the public consciousness, and the more Soviet citizens follow events in Eastern Europe, the more irritated they seem that Mr. Gorbachev has limited their right to choose.

The issue is now focused on Mr. Gorbachev's proposal to create a new executive-style presidency with sweeping powers of decree and to diminish the authority of the parliament. Future presidents would be elected, but Mr. Gorbachev wants a five-year term given him by the 2,250 members of the Congress of People's Deputies, who are to converge on Moscow for a special session on Monday.

"I get hundreds of telegrams a day from citizens from all over the country who are categorically against the election of the president at the Congress," said Anatoli A. Sobchak, a popular lawyer-legislator from Leningrad. "They say: 'You, the deputies, don't have any right to do this. We did not give you any such authorization when we voted for you. Only the people can elect the president.' "

When they have been given a choice, the citizens have opted for candidates who distance themselves from Mr. Gorbachev and urge greater changes.

The big winner in local elections on March 4 was not Mr. Gorbachev, but a bloc of pro-democracy forces centered on the Interregional Deputies Group, the parliamentary opposition, which Mr. Gorbachev seems to view with suspicion bordering on hostility.

Members of the bloc understand Mr. Gorbachev's strategy of feinting right, then left, and ending up on his feet in the middle. But Mr. Gorbachev is now a centrist in a country with a shrinking center.

"The overwhelming majority of the leadership of the Interregional Group and most of the activists supporting it don't have any desire to remove Gorbachev from the first place on the political scene," said Vladimir O. Bokser, a strategist for the political bloc. "We only want to move him over to the left."

Sometimes lately, Mr. Gorbachev's vaunted sense of timing and public relations have seemed to fail him.

On the night of the elections, he took up 12 minutes of the evening news with a rambling, disengaged interview at his polling place, repeating socialist homilies and dwelling on his devotion to the Communist Party even as party apparatchiks were being shunned by voters across the country. He seemed like a man out of touch.

Even more stunning was his abrupt about-face on the issue of presidential power.

Ironically, the idea of an executive presidency was proposed last fall by opposition lawmakers, who argued that this was the only way to free Mr. Gorbachev from the clutches of the Communist Party. Mr. Gorbachev passionately rejected it as contradicting his philosophy of decentralization.

Then last week, in a performance that seemed on television petulant and arrogant, he forced the proposal through the standing legisla in a rush, arguing that only a st executive could cope with eth unrest and other crises.

Even those who favor a st presidency were alarmed at the Mr. Gorbachev hinged for it.

"I got really angry at the way pushed through the law on presidency," said Vasili S. Sh novsky, a young Moscow Com nist who has been active in orga ing a pro-democracy faction w the party. "I just can't believe th man for whom democracy is so thing inside him, something re ral, could behave in such a w started having big doubts."

Perhaps Mr. Gorbachev is waiting for the right moment, the public consensus is more cl and then he will submit himself plebiscite or otherwise move to tablish his public authority.

Or perhaps he has accepted view of some around him that country cannot, after all, m from totalitarian rule to democ without a period of benign auto cy to force through unpop changes.

What annoys the political p corners trying to take Mr. Gor chev up on his promise of demo cy is how readily the West seems accept that Mr. Gorbachev hi is the main thing.

Ilya I. Zaslavsky, a young par mentarian who is one of the m popular political figures in M cow, said it was condescending Westerners to think of Mr. Gor chev as a benign paterfamilias, to dismiss his more radical cri as somehow destabilizing.

"When people are elected nondemocratic ways, and then the democrats, as Gorbachev done, then that's not democra either," Mr. Zaslavsky said. "It just another form of the same thing."

CHINA: *Continued Repressiveness Disappoints Bush Administration*

(Continued from page 1)

creased there. Commerce Department data show Chinese exports to the United States rose 42 percent last year, to a total of $12 billion. Much of the increase occurred after the killings in and near Tiananmen Square in early June.

The increased trade would have been impossible if Congress had imposed stiff economic sanctions, as many lawmakers advocated last summer.

Mr. Bush persuaded Congress to hold off, saying that commercial contacts in China were good because they "have led, in essence, to this quest for more freedom."

China's most-favored-nation status, which generally guarantees the lowest possible tariffs on exports to the United States, is scheduled to expire July 2. Administration officials say Mr. Bush will seek a regular annual extension of that status for China. Many in Congress are gearing up to resist. At least six bills have been introduced to suspend or terminate China's status as a most favored nation.

Although acknowledging that Mr. Bush has not achieved his objectives, White House officials are sensitive to criticism of his China policy.

Mr. Scowcroft says that his toast "to U.S.-Chinese friendship," at a banquet in Beijing on Dec. 9, has been misread as an endorsement of the military crackdown.

Likewise, Douglas H. Paal, the senior specialist on China on the National Security Council, criticized a report on China issued last month by Asia Watch, a human rights group.

Asia Watch said that the Chinese People's Liberation Army had shown "ferocity" in suppressing the democracy movement. Mr. Paal wrote, "Some of the PLA actions were indeed ferocious — other units at other times did show great restraint."

Asia Watch said that thousands of peaceful dissenters were being detained in China without trials. Mr. Paal wrote, "The very fact that so many detainees have not been tried indicates some degree of restraint."

People who originally bac Mr. Bush's policy say they, t have been disappointed.

A. Doak Barnett, profes emeritus of Chinese studie Johns Hopkins University, said supported Mr. Bush's effort "halt the downward spiral in relations with China" by sen Mr. Eagleburger and Mr. Sc croft to Beijing in December.

"That mission had valid obj tives and was worth trying," Barnett said. "But the Chinese not responded sufficiently to i cate a reversal of repressive m or to have a significant impact American public opinion or C gress."

French Police Block Dissidents at Church

The Associated Press

PARIS — Riot police barred about 100 Roman Catholic conservatives from entering an empty church Sunday where they hoped to celebrate a traditional Mass.

The worshippers, followers of Marcel Lefebvre, who was an archbishop before being excommunicated in 1988, held their Mass in the street next to the church in suburban Argenteuil and later dispersed peacefully. Three priests belonging to the Lefebvre group, Brotherhood of Saint Pius X, led the worshippers, who demand that the Roman Catholic hierarchy give them an unused church.

10 Drown in India Lake Towing Buddha Statue

The Associated Press

NEW DELHI — At least 10 persons drowned when a 350-ton statue of Buddha slid off a barge in a lake near the central city of Hyderabad, the United News of India said. The barge was being towed to a rock in the center of Hussain Sagar Lake in the state of Andhra Pradesh.

The news agency said that about 50 persons were aboard the barge Saturday when the accident occurred.

SOVIETS: *Party Name Defended*

(Continued from page 1)

warned that Mr. Gorbachev could have difficulty gaining the necessary two-thirds majority in the 2,250-seat congress for constitutional changes. Deputies from the Baltic states and Georgia and possibly the Ukraine are likely to join radical Russian deputies in expressing reservations about giving him new powers without strengthening the authority of the republics and the legislature.

Members of the Interregional Group of radical deputies are considering nominating a candidate to run against Mr. Gorbachev. The draft constitutional changes allow any group of 100 or more deputies to propose candidates for state president, with the Congress serving as the electoral body for the first presidential election.

State television reported that Sunday's Central Committee session had also considered proposals for eliminating the party's constitutionally guaranteed monopoly of political power. The plenum was reported to have considered a rewording of Articles 6 and 7 of the constitution, which award the Communist Party the "leading and guiding" role in Soviet society.

In addition to Lithuania, which on Sunday formally declared independent statehood, several other republics are well on the path toward secession. Citizens of the pre-war Baltic state of Estonia and their descendants held a congress in the Estonian capital Tallinn on Sunday as part of a pro-independence campaign.

The Georgian Supreme Soviet last week adopted a resolution formally invalidating Georgia's 1922 annexation by the Soviet Union and calling for negotiations with Moscow on the restoration of Georgian independence.

HAITI: *Opposition Urges a Strike if Avril Fails to Leave the Country*

(Continued from page 1)

television that he would transfer power within 72 hours to a civilian-led government.

General Avril, 52, retired from the army and was said to be in his suburban Port-au-Prince home with heavily armed guards.

Unity Assembly, a coalition of 11 opposition political parties and one civic group, had threatened an "unlimited total paralysis of the country" unless General Avril resigned.

At a news conference Sunday, the group issued a statement calling General Avril a "public danger," and said it would not lift the strike call until he left Haiti.

In negotiations reportedly involving the U.S. and French embassies, the Roman Catholic Church and opposition political parties, General Avril agreed to allow a transfer of power to a civilian-led government consisting of an 11-member advisory council and a provisional president chosen from the Supreme Court.

Unity Assembly expressed confidence that General Abraham would keep his word to transfer power to a civilian-led government, but rejected the army's choice of the Supreme Court president, Gilbert Austin, to head it.

Mr. Austin, 63, was appointed chief justice by General Avril last year.

The politicians also complained about danger in the capital and called for the formation of neighborhood self-defense groups to protect people from marau gunmen.

Radio Métropole, an indep dent station, said soldiers r speeding truck opened fire on destrians in central Port-au-Pr early Sunday, killing five peo and then removed the bodies.

On Saturday, radio reports s soldiers killed six youths who t tacked the home of a special pol agent, Marc Antoine, in the C four suburb. Two more bod from the shooting were discove Sunday.

A hospital spokesman said h day that the hospital had rece five other bodies from separate i cidents.

General Avril, 52, who to power in a September 1988 co had been under pressure to re for weeks after he cracked down opposition leaders in January, d claring a 10-day state of siege.

The U.S. Embassy in Haiti a the State Department in Wash ton simultaneously released a st ment Saturday supporting Gen Abraham.

"We would be prepared to h this provisional government to democracy to Haiti," the statem said.

It pledged help "to conduct fr and fair elections under inter tional observation at the earl possible date." *(AP, U*

ISRAEL: *Political Crisis Deepens as Cabinet Fails to Agree on U.S. Plan*

(Continued from Page 1)

unless Labor agreed to support stipulations designed to exclude Arab residents of East Jerusalem from the peace process and prevent the Palestine Liberation Organization from becoming involved even in the preliminary Cairo talks. And Labor refused again to discuss Shamir's demands.

Officials close to Mr. Rabin said that Mr. Shamir had rejected a compromise proposal by the Defense Minister under which the government would have accepted the Baker plan while deferring the debate on East Jerusalem to the Knesset. But an aide to Mr. Shamir said Mr. Rabin's suggestion had not yet been discussed and could still be the subject of interparty negotiations.

Mr. Shamir, who has long resisted the Cairo talks, reportedly told the cabinet that the U.S. involvement in the peace process had distorted the government's election plan, which the prime minister put forward last April.

The army radio quoted Mr. Shamir as saying that "the involvement of the U.S. administration gave the peace initiative a different hue and character than we intended."

Mr. Shamir's remarks reflected the growing bitterness within his party toward the Bush administration, which applied strong pressure in the last weeks to win Israel's agreement on the Cairo talks. Aides to the prime minister maintained Sunday that Mr. Shamir's refusal to go along with the Baker plan was due in part to the storm raised in Israel by recent U.S. statements, including a remark by President George Bush that suggested American opposition to new Jewish settlements in East Jerusalem.

An official said that "the administration created an atmosphere that made it day by day more difficult" for Mr. Shamir to find support in his party.

Labor activists said that the dispute over the U.S. statements on East Jerusalem provided Mr. Shamir with a convenient way to oppose the Israeli-Palestinian talks without openly saying so.

In order to sustain a vote of no confidence against the coalition in the Knesset, Labor would have to win the support of small leftist and religious parties or of dissident members of the Likud. But several leaders of the four religious parties said they would not vote to break up the government.

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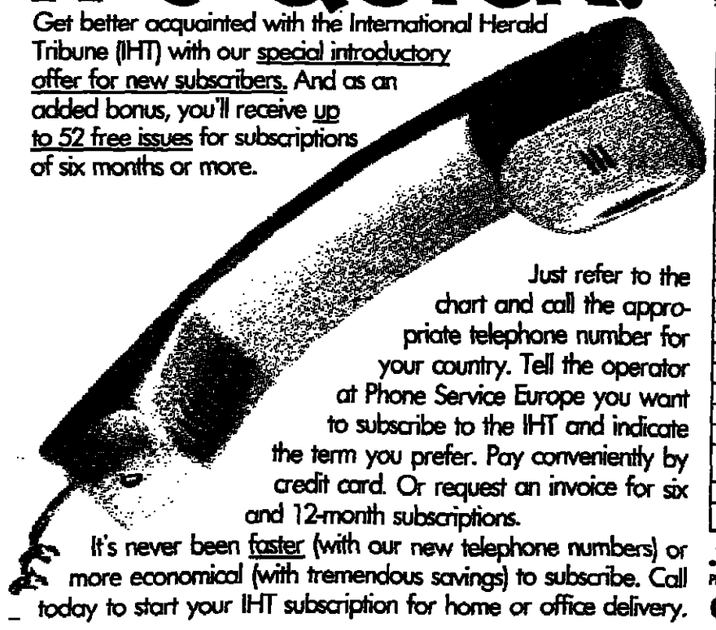

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Portugal*	Esc.	0034/1.555.1085	29,000	22,880	16,000	3,000
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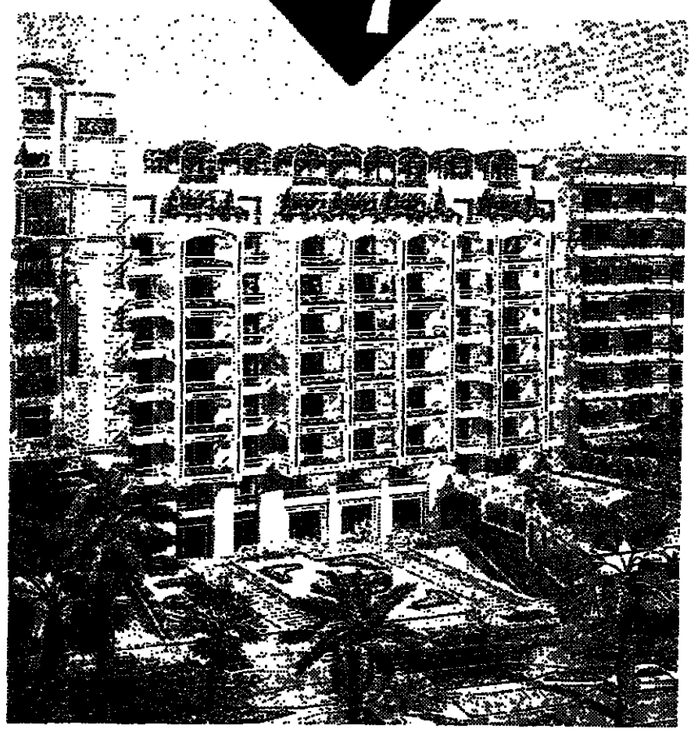

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OPINION

Tehran on the Defensive

This much has changed in Iran: Ayatollah Ruhollah Khomeini's successors no longer seal their ears to the world's censure of their behavior. Iran and Syria are now talking about freeing 17 hostages, including eight Americans believed to be held by Shiite militants in Lebanon. And Iran has now agreed to a second visit by a United Nations investigator.

But the signals are too mixed and Iran's fractious rulers are too divided to afford solid ground for hope. Just days ago Iran's president, Hashemi Rafsanjani, hinted that the hostages might be freed. On Friday this supposed pragmatist derided the United States as "the biggest bully on earth" and ridiculed President George Bush for taking a call from a hoaxer pretending to be Mr. Rafsanjani.

Just as manipulatively, the mullahs informed a UN human rights investigator that Iran's harsh criminal justice system was being softened. Grasping this straw, the investigator, Reynaldo Galindo Pohl, produced a circumspect document giving Iran too much benefit of the doubt.

A franker account is offered in the State Department's new annual survey on human rights. It brands Iran as a major violator, and says that despite promises of changes, the harshest abuses persist. It portrays Iran as a hermetically intolerant society in which dissenters and common criminals alike are subject to summary executions, degrading torture and routine flogging.

And it deplores Iran's efforts to stigmatize and harass the Bahais, a minority faith of about 400,000. Tehran regards the Bahais as "unprotected infidels," and forbids them to elect their own leaders or educate their children.

When the UN investigator asked about the Bahais, Iran responded that its only recognized religious minorities were Christians, Jews and Zoroastrians; all others are consigned to limbo. That reflects the zealotry that sets Iran apart. It is of a piece with the death threat, now reconfirmed by the ayatollah's heirs, against the British novelist Salman Rushdie.

Nevertheless, Tehran seems increasingly defensive about world opinion. That anxiety is a sound argument for keeping the heat on Iran — on behalf of the hostages and Iran's own citizens.

— THE NEW YORK TIMES.

Securities Firms at Risk

When a ship has been through a hurricane, prudence suggests checking the hull carefully to see whether the plates are holding. The American financial industry has been through very rough weather, and it is possible that there is more to come. Particularly in the aftermath of the collapse of Drexel Burnham Lambert, attention has swung to the big securities firms and their ability to survive sudden shocks and unpleasant surprises.

One crucial factor is the firms' capital — the amount of the owners' money that stands behind those intricate strategies of borrowing and lending. The hugely expensive S&L scandals originated in inadequate capital requirements, poorly enforced. The commercial banking system is in much better shape, but even there the numbers of failures have been running at the highest level since the Depression, and the regulators are responding by tightening capital requirements. What about the securities firms?

The Securities and Exchange Commission thinks that they ought to be required at least to report their capital positions to it, and legislation is to come before the House Energy and Commerce Committee within the next few days. The committee — and the rest of Congress — would be wanton not to move this bill along promptly.

Some of a securities firm's operations are regulated, and some are not. Many firms have moved some of their riskiest activities into the unregulated affiliates, and the SEC needs to know how much capital is available there to ballast the whole company.

In the Drexel case, the regulated broker-dealer subsidiary had adequate capital. It was its parent, the holding company, that ran short. The firm attempted to stay afloat by transferring funds from the subsidiary to the parent. That, in effect, would have benefited the shareholders by increasing the danger to the firm's customers. The SEC and the New York Stock Exchange intervened to forbid it.

There was a time when securities firms prospered simply by buying and selling stocks for their customers, collecting a commission on each transaction. The industry has grown formidably in the past decade, and commissions are now less than a fifth of its revenue. Much more comes from the kinds of trading and investing that put a firm's money directly at risk. The regulators cannot always find out how much capital stands behind those spectacular billion-dollar deals. Congress needs to fix that quickly.

— THE WASHINGTON POST.

Remember Panama?

Most Americans over age 10 still remember those dramatic televised reports. It was only 12 weeks ago that U.S. troops invaded Panama, in the largest military operation since the Vietnam War. President George Bush's political stock soared when the assault brought the capture and removal to Miami of Manuel Antonio Noriega, Panama's fallen strongman.

But 12 weeks can be a long time if you are trying to hold together a country whose army and police force have been shattered, and whose economy has been devastated by two years of U.S. sanctions and then a billion dollars of war damage. Such is the crisis that now presses on President Guillermo Endara's new government.

Not surprisingly, Mr. Endara hopes that Washington will quickly approve promised aid and that funds in formerly blocked accounts will soon become available. But Mr. Bush's $500 million Panama aid package is meandering through Congress. Emergency funds are only now dribbling through the bureaucratic pipeline. A cumbersome process involving claims and counterclaims stalls release of back taxes owed to Panama by U.S. companies.

Meanwhile, Panama's 30 percent unemployment rate makes the Endara government reluctant to pare down its reconstituted military force. Yet the presence of thousands of re-enlisted Noriega veterans could one day imperil democratic rule. Moreover, the force's unreliability prolongs the awkward role of U.S. troops as a backstop for police operations on Panamanian soil. Economic problems also make it harder for the Endara government to consolidate popular support and renew its mandate with a fresh presidential vote.

Panamanians who cheered U.S. troops last December never imagined that Washington could forget their desperate plight by March. Has it?

— THE NEW YORK TIMES.

Screaming Won't Help

"I hear America singing," wrote Walt Whitman in the last century. Today he would have difficulty hearing himself think.

According to audiologists, 20 million Americans are exposed daily to persistent noise loud enough to cause hearing loss. The racket also contributes to high blood pressure, peptic ulcers, aggression, poor reading, lack of consideration and, understandably, the urge to give up.

The clamor is not likely to diminish. Of the more than 1,100 state and local anti-noise programs that existed in the 1970s, 15 remain; the federal government abandoned its noise abatement effort in 1982.

Of course, little of this is news to denizens of large urban areas. They need no audiologists to tell them that the din from emergency vehicles, subways, auto burglar alarms, boom boxes, garbage trucks, airports and millions of horn-happy drivers is exceedingly painful.

Most frustrating of all, the urban dweller's method for solving all problems can't help. Screaming would only make things worse.

— THE NEW YORK TIMES.

Other Comment

This Optimism Is Dangerous

History is starting up again, after 45 years of petrification. Nor does it look like Sleeping Beauty awakening after a long sleep; more like a kennel of sleeping dogs suddenly prodded into snarling life — old hatreds, old rivalries, old territorial claims, above all old nationalisms, notably those of Germany and Japan. There is nothing to fear but fear itself, said Franklin Roosevelt in 1933. Today it is the lack of fear that should frighten — the Titanic-like ignorance as much among rulers as ruled of the dangers ahead.

Because the prospects of individual freedom in Russia and East Europe look better than they have for 40 years, everybody wants to believe that this somehow makes the world a safer place. It does nothing of the kind. Civil rights in the Balkans, independence for Lithuania, unity for the Germans and all these other blessings now falling like pennies from Heaven recreate conditions that existed in the bad old prewar days. They were no guarantee of a stable Europe then and there is no obvious reason why they will be any more so now. The more peoples there are free to make history, the more peoples there are free to make war.

Ludicrously high expectations are building up for the next century, expectations which take little or no account of how fragile the world order has now become. Visible dangers can be averted. That is why the mushroom cloud that for 45 years has darkened the horizons of mankind may prove to have been less doom-laden than today's promise of blue skies. History teaches only one lesson: that those whom the gods wish to destroy they first make optimistic.

— Peregrine Worsthorne, in an editorial in The Sunday Telegraph (London).

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Not Guilt, but an Inheritance

By A. M. Rosenthal

NEW YORK — Letters come from Germany in response to columns I have written saying that German unification is going too fast, that too many fears are being papered over. The columns said Germany's neighbors and victims should testify on how they could best be helped to rest easy in their hearts that yesterday will not become tomorrow.

Some letters are full of fury. Far more interesting are those, courteous in tone, from young Germans who seem puzzled and hurt. One way or another, they ask the same questions: "Should the sins of the fathers be visited upon the children? Isn't that what the Nazis did?"

No, that is not what the Nazis did.

What they did was slaughter millions, millions, but not because the fathers and mothers of the butchered committed any sin. They were slaughtered because the Nazis were driven by the bestial passion of hatred to wipe both parents and children from the face of the earth, exterminate them.

Just as Nazi Germany's victims committed no crime, their forefathers committed no sin beyond being born and giving life. It is sad that the distinction still has to be made.

But those of us who are still bone-nervous about the idea of Germany once again emerging as the most powerful nation in Europe cannot walk away from the first question. If great sin is committed by a nation, shall guilt pass from parent to child?

I think the answer is:

Guilt no, but inheritance yes.

Germans born too young to be part of the German sin are guilty of nothing. That is, those who do not admire what their parents did or try to whine it away — or nudge each other with nostalgia for the old brown days. Not everybody in the parties of the German nationalist right is confined to a wheelchair.

But our parents do leave us heritages, sometimes heavy to bear but impossible to put down. Nazi Germany left today's Germany a heritage of distrust, disgust and fear from a good part of the world.

That burden has been lightened by those Germans who since World War II have not only denounced Nazism but have done something more important — shed light on its shadows in German politics and education.

But the heritage of fear still exists. Germans, old or young, who deny it are endangering themselves and those around them — as we all do by denying the truth.

Judith Miller of The New York Times has written an important, powerful but calm book on the emotional and political techniques that nations, including Germany, still use to deny or try to forget the Holocaust. The book will be published in May by Simon & Schuster and is so pertinent to the unification issue that you might want to jot down its title: "One, by One, by One."

Every day the nervousness becomes more obvious as more people speak up — the Poles saying they will keep Soviet troops on their soil, European nations demanding to be part of the unification process, Israelis pondering German contributions to the Libyan chemical weapons plant.

Only in the United States is there no real discussion. America, for all its pride in political individuality, usually follows its leader. President George Bush, has not even bothered to talk to us about unification, one of the most important events of our time. You can see why — it's embarrassing.

By OSWALDO in Excélsior (Mexico City). Copyright © Wilson Syndicate.

As Chancellor Helmut Kohl said so knowingly, the West supported unification when nobody thought it would happen.

Years ago the Western governments should have prepared step-by-step measures to deal with the problems and fears that unification would certainly bring. They did not, and now they are the victims of their own hypocrisy.

Günter Grass, the West German novelist, says that because a unified Germany was a precondition to Auschwitz, the very right of German self-determination is open to question. My heart agrees with him. My head says move on. Concentrate on getting more talk started about how to make unification a carefully thought out process — of concern not just to German politicians but to all who share the earth with them.

Guarantees against yesterday are impossible, but safeguards could be built into the German government, including acceptance of international accountability. Preparation for the dangers as well as the opportunities of unification is important to all people. For none is it more vital than for those who will live with the future as surely as they inherited the past — young Germans without sin.

The New York Times.

Genscher Was Right About the East and Is Right to Be Cautious

By Flora Lewis

PARIS — Less than a year ago, the dirtiest word at the State Department was "Genscherism." Official American wisdom held that the West German foreign minister was dangerously susceptible to the charms of Mikhail Gorbachev's "new thinking," excessively eager for good relations with Eastern Europe and personally obsessed with openings to East Germany, his homeland.

Though Hans-Dietrich Genscher was always clear and firm about keeping West Germany anchored in NATO and the European Community, he was suspected of pulling away from established ties. Washington did what it could to comfort Chancellor Helmut Kohl when he was at odds with his foreign minister.

Now Mr. Kohl is seen as the troublemaker and Mr. Genscher as the man of vision. Focusing narrowly on next December's elections and his determination to be the "unity chancellor," Mr. Kohl was getting the whole transformation of Europe tangled in fears of reviving German nationalism. He held back guarantees for Poland's Oder-Neisse border so long that his acquiescence looked grudging, and he seems to be trying to gobble up East Germany without even saying grace.

He is certainly a democratic man; he has the democratic politician's hearty desire to win votes. He is not at all imperious or authoritarian; rather, he has usually been faulted for waffling. But he can't be accused of sensitivity.

When Mr. Kohl said he could not understand all the fuss about confirming the Polish border, no doubt he meant it. He could not understand, either, why he was not invited to Ronald Reagan's Omaha Beach party on the 40th anniversary of D-Day, or why Americans minded when their president accepted his insistent plea to compensate with a visit to a German war cemetery, with SS graves, at Bitburg. He was offended when Washington went public about German companies helping Libya make a poison gas plant.

He is a loyal ally and a good European, as he keeps repeating in honest surprise that anyone might doubt it. He just doesn't see very far.

In his view, the problem right now is that 2,000 to 3,000 East Germans are streaming west every day, and the only way he can think of to deal with it is to make all of Germany West.

Unreliable polls forecast a Social Democratic victory in East Germany's March 18 elections, yet Mr. Kohl gets a hero's welcome when he campaigns there. When he went through the wall the day it opened, he was booed in West Berlin. He would like to have it all settled quickly, and lead a glorious celebration.

Mr. Genscher, who leads the junior Free Democratic Party in the government coalition, has a broader sense of the need to work with allies and neighbors in reorganizing Europe, with Germany at its heart instead of at the front line.

It is necessary for the West to support the Germans' aspiration for unity so as not again to leave a festering grievance that can deform democracy. It is at the very least as necessary, as Mr. Genscher has said, to make sure that unity "enhances stability and security in Europe."

"We will not present anyone with a fait accompli," he said. "The security interests of our Eastern neighbors as well, in particular those of the Soviet Union," have to be respected.

Events proved Mr. Genscher right. History, which Mikhail Gorbachev said only last winter would be left to "decide" the fate of Germany in the distant future, refused to wait. On Sunday, the East Germans will choose a new parliament; talks on unity will then begin. To the relief of Germany's partners, Mr. Genscher makes clear that those talks cannot preempt solution of "external issues," primarily the security systems embodied in NATO and the Warsaw Pact.

These are momentous questions for the enduring peace of Europe, and there has been no serious planning to arrange a transition, let alone create new structures. Even now, few have grasped the point that what lies ahead requires as prodigious an effort at creation as did the immediate postwar period.

Zbigniew Brzezinski, the former national security adviser (who does not deign to hide behind an initial), has at last outlined the principles which should be followed, and which will mean a vast web of political, economic and military institutions involving the Soviets, the United States and the Europeans.

But Washington is still stuck in immediate calculations. It worries that the West German socialists, bolstered by the East, may win the December elections and then move toward a policy of neutrality. So it is still trying to comfort Mr. Kohl, and dabble in German politics.

The times require a sense of history going far beyond electoral calendars. A good policy for Europe will survive cyclical favors of the voters, as the policies of the late 1940s did. Germany is too important to play political favorites.

The New York Times.

Vietnam: Let's Help Hanoi to Continue Pulling in Its Horns

By Jim Hoagland

HANOI — Vietnam's Communists have lost their first war. Their leaders do not acknowledge that the autumn withdrawal from Cambodia was a defeat, but neither do they argue seriously against that interpretation when it is pressed on them. Instead, Vietnamese leaders shift the discussion to what must be done to allow both Vietnam and China face-saving exits from the Cambodian quagmire.

Vietnam's decision to seek better relations with China after 15 years of direct confrontation is a key part of a developing strategic shift in Southeast Asia that could end a generation of slaughter and horror in Cambodia.

Also key is the lessening of Soviet aid and sympathy for Vietnam. As Mikhail Gorbachev's Moscow turns inward and adopts political reforms that are anathema for Asia's Communist regimes, Hanoi and Beijing may be tempted to put aside their ancient conflict and commiserate.

Cambodia has been the main arena of the conflict since the Vietnamese invaded in 1979 to depose Pol Pot's blood-soaked Khmer Rouge regime. Aided militarily by the Chinese and diplomatically by the United States, the Khmer Rouge regrouped and denied Hanoi a clear military victory. Facing economic disaster at home and frustrated on the battlefield, the Vietnamese troops that had outlasted the French, Americans and Chinese in battles on their own territory during the past half-century pulled out of Cambodia in late September.

Khmer Rouge advances against the forces of the Hun Sen regime, and the lack of meaningful economic and political responses by the West to the Vietnamese withdrawal, appear to have caused Hanoi to send 3,000 military advisers and technicians back into Cambodia, according to Thailand's well informed intelligence services. That figure is accepted by Western intelligence sources in Bangkok as a "consensus figure."

Foreign Minister Nguyen Co Thach denied in an interview in Ho Chi Minh City that Vietnamese combat troops are in Cambodia. But he acknowledged for the first time that there were "some technicians still there, in heavy artillery or other things." Mr. Thach could provide no numbers, but he said they were insignificant. The United States, he said, could easily verify the Vietnamese withdrawal but appeared to shy away from doing so because Washington does not want to admit that the withdrawal took place.

Vietnam "will continue its supply of arms" to the Hun Sen government "as long as other powers continue their supplies to the other forces," Mr. Thach added. But he repeatedly returned to his view that the war was now in a stalemate and would end in a peace accord late this year.

The Khmer Rouge "will get weaker and weaker as they try to occupy more and more territory" and as Thailand makes it more difficult for the Pol Pot forces to use Cambodian refugee camps on the border as staging areas, Mr. Thach said. He added that Hun Sen was prepared to accept the participation of Khmer Rouge political cadres in a new coalition government as long as Pol Pot and seven of his closest associates were excluded.

Vietnamese officials here are unusually restrained in their criticism of China's role in Cambodia. Mr. Thach confirmed what Western diplomats here had told me: China and Vietnam have pulled back their armies 40 kilometers or more from their common border in the past six to nine months. Trade now flourishes across the frontier, mostly to China's economic advantage.

"It was not done by mutual agreement. The interests of both countries dictated that both sides pull back," he said. "In some places it was the Vietnamese troops who pulled back first, in others it was the Chinese. It was good for both."

China, which is not yet prepared to admit that it may be ready to cooperate with its smaller Communist neighbor, denies that it has pulled its forces back and puts the burden for any improvement in relations on Vietnam. Significantly, Vietnam accepts that burden. Hanoi twice sent a deputy foreign minister to Beijing last year for talks on improving relations, and it would make a third trip as soon as Beijing agrees.

Vietnam is prepared to go a long way to reduce tensions on its borders as it pursues an ambitious turn to free market economics at home and as foreign help dries up. The Soviet Union is believed to have told Vietnam that economic aid, estimated to run at $2 billion a year, will now start declining. Moreover, Moscow has asked the Vietnamese to begin repaying 8 billion rubles in debt that falls due this year.

Mr. Thach denied that all this added up to a strategic retreat by Vietnam. But his argument was not the forceful kind that he can summon up when the occasion demands it. "If our withdrawal will help the Cambodian government to stand on its own feet, it is not the same as the American withdrawal from South Vietnam. We must look to the final outcome. We do not believe that Phnom Penh government will collapse."

Washington has blocked a package of economic help from the IMF that the Vietnamese withdrawal from Cambodia was supposed to unlock. Such obstructionism will not encourage Vietnam to continue pulling in its horns, which should be a U.S. objective.

This time the United States should be wise enough to let Vietnam declare defeat and get out.

The Washington Post.

Israel: Here Come Soviet Jews, and Palestinians Are Homeless

By William Pfaff

PARIS — The accelerating exodus of Soviet Jews to Israel explains the severity of the cabinet crisis provoked there by renewed U.S. pressure for peace talks with the Palestinians.

That exodus promises major change in Israel's political demography and a final answer to the question of Israeli annexation of the occupied territories of Gaza and the West Bank. Those territories are where a Palestinian state would be — if there ever is to be a Palestinian state.

Nearly a quarter million Soviet Jews now are expected in Israel this year, more than twice previous estimates, according to the Israeli press. Israel's deputy finance minister, Yossi Beilin, has said he expects 30,000 arrivals a month by next summer, an annual rate of 360,000. According to British reports, Israeli consular officials in Moscow estimate that half a million Jews have applied to the Soviet authorities for exit permits. Israel has now imposed military censorship on all information concerning Soviet immigration.

Even a slower rate of migration implies major demographic and political change. There are now some 3.5 million Jews in Israel. There were 1.8 million Jews in the Soviet Union at the time of the 1979 census. As the number of exit demands shows, these people now feel intense pressure to leave the U.S.S.R. They confront not only revived anti-Semitism but the grave deterioration in living standards that has accompanied perestroika.

No one can know how many Soviet Jews will actually leave. If present indications are borne out, Israel could see its population increase by as much as a third, perhaps by more.

This, of course, is what the Israeli government wants. These immigrants are mostly well educated professional and technical people or skilled artisans. They will make a valuable contribution to the Israeli work force, even if settling them puts an enormous burden on an economy today in very serious difficulties. This is why Israel has asked for another $400 million in U.S. loan guarantees.

Few of these new immigrants are religious Jews, or committed Zionists. They mostly are going to Israel because Israel is the country that will have them, not because they feel a religious or political vocation to go there. Many would prefer to go to the United States or to Western Europe. Many actually were going to America until the U.S. government, under Israeli pressure, blocked the flow.

Moreover, they often are inclined toward sympathy for the Palestinians, or at least are not automatically anti-Arab. Their views have inevitably been influenced by 40 years of Soviet official information holding Zionism to be a form of imperialism and defending the Palestinian cause.

They also want peace and quiet. Life in the Soviet Union has provided enough drama, culminating now in revived anti-Semitism and the need to abandon homes and jobs to begin life all over in a country they do not know and a language they do not speak.

They arrive to find that not only is the Palestinian uprising under way in the occupied territories but they are themselves at the center of Israel's struggle over what the nation is to become. Expansionists want them to populate the occupied areas so as to guarantee that there never will be a Palestinian state — or a "second" one, after Jordan, as Ariel Sharon says.

Those Israelis — backed by the United States — who are prepared to trade territory for peace with the Palestinians recognize that the settlement question is decisive. Both sides understand that the immigrants could break the political stalemate that has been suffocating Israel since the crisis created a decade ago by the invasion of Lebanon.

The Soviet Jews will not remain pawns of the Israeli parties for long — if they stay. Many may not stay, if they can find a place to go. But if they leave in large numbers, it could deal a fatal blow to the spirit sustaining Israel itself. The Zionist dream of gathering the world's Jews into a single state of their own would have been rejected by the last major bloc of Jews in the diaspora capable of fulfilling that dream.

The game is immensely important for Israel, and the United States necessarily plays a crucial hand. Israel needs American aid not only to settle these immigrants; it also depends on the United States for economic survival. Secretary of State James Baker said at a congressional hearing on March 1 that U.S. funds must not be spent to support settlements in Gaza or the West Bank, which he characterized as "an obstacle to peace." He also warned against using U.S. aid to free other funds for the settlements.

Mr. Baker's remarks naturally provoked an angry reaction in Israel, contributing to the government crisis. But the United States will influence what happens by its own immigration policy as well as by its aid policies. America's doors now are closed, or half-closed. Israel's are wide open. The Palestinians still are without a national home. They say that the West solved the problem of Jewish persecution and migration at their expense in 1948. They now say the West is doing it again. It remains to be seen whether they are right.

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THE last Jewish tribe is finally coming out of bondage. They come from Vilnius, Kaunas, Gomel, Minsk and Pinsk and the Pale — the cradle of Zionism. Their soft, melodic Russian is so familiar; it evokes the memory of the late lamented founding fathers. It is the authentic Zionist melody.

Yet again, Palestinian fortunes have been determined by forces and circumstances beyond their control, and by their own miscalculations. They always paid dearly for the wickedness of others (Nazis, Communists) and could never withstand, nor understand, the force of Jewish desperation.

The Russian children arriving at Ben-Gurion airport will one day have to fight, as soldiers, for the Jewish "Law of Return" against the Palestinian "right of return" — and the dilemma will persist. One can take sides, invoking "absolute" or "relative" justice; one can deny the dichotomy; one can fall silent. One may also take comfort in the fact that Russian immigration is the last wave, after which there will be no more rabbits in the hat.

— Meron Benvenisti, commenting in The Washington Post.

100, 75 AND 50 YEARS AGO

1890: Call to Revolution

ROME — The police seized over 1,000 Anarchical manifestoes sent from France to the workingmen's societies of Rome. These manifestoes assert that a universal revolution is imminent and appeal to Italian workingmen to aid in securing the downfall of Monarchies.

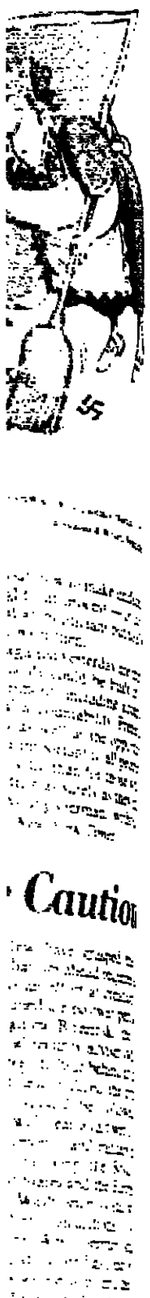
1915: A Risky War Loan

LONDON — Subscriptions in New York to Germany's new ten-year five percent bonds have, so far, been much smaller than anticipated, and the bankers who are trying to dispose of a portion of the issue in America are disappointed. Apart from those who, from racial sympathies, desire to help Germany, the loan, according to a cable from the "Daily Telegraph," makes no appeal, despite its attractive appearance. Many people believe that German-Americans are not subscribing freely to the issue because they realize that Germany will not only have to face bankruptcy at the end of the war, but, probably, a repudiation of her financial obligations.

1940: War Over Wagner

PARIS — War continued yesterday [Mar. 11] on the music front. The question today is, it seems, the same one that tormented artistic souls 25 years ago: What to do about Wagner? For Wagner survived the last war only to have a particular stigma placed on his works. Hitler's predilection for the more fiery passages of the red-haired romanticist's works was in the minds of listeners to the Colonne-Lamoureux Orchestra at the Châtelet Theater, and some of them approved the last minute change in the program in favor of Debussy and Ravel. Others, who contended that art knows no frontiers, did not. Georges Hué, conductor, declared, according to "Le Jour": "Because Hitler is a fervent Wagnerian is not a reason why we should deprive ourselves of the work of one of the greatest musical geniuses."

هكذا من الأصل



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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors.

Dollar Straights

Governments/Supranationals

Issuer	Con	Mat	Price	Yld	Spd Trsy
ADB	11¼	93	106¼	9.54	+81
ADB	8	96	97¾	9.60	+85
ADB	9⅝	99	101¼	9.57	+83
AIDC	8⅝	96	94	9.67	+94
Austra Wheat	9½	93	99¾	9.56	+82
Australia	11	95	105⅝	9.53	+83
Australia	11½	95	108	9.55	+83
Australia	11¾	98	111¼	9.62	+88
Australia	11¼	00	107	9.76	+106
Australia	8¼	92	97	9.62	+96
Austri Control	10	91	101	8.97	+31
Austri Control	9⅛	92	99½	9.31	+65
Austri Control	15¼	92	110½	9.44	+78
Austri Control	8½	93	97¾	9.18	+51
Austri Control	9¼	94	100	9.22	+50
Austri Control	12	94	109	9.52	+81
Austria	10	98	102¼	9.58	+84
Austria	11¼	95	106¼	9.57	+86
Austria	11	00	100⅝	9.98	+132
Austria	13⅝	92	108	9.55	+89
Austria	9	92	99	9.41	+75
Austria	9⅝	93	101½	9.03	+36
Austria	9⅝	94	98¾	9.46	+73
Austria	7⅝	96	91⅛	9.57	+84
Austria	9¼	96	99	9.45	+71
Austria	7⅜	97	92⅝	9.23	+48
Austria	8⅝	00	95⅛	9.36	+63
Austria	8½	00	94⅝	9.39	+66
Austria	9⅜	06	99⅞	9.53	+79
BC Hydro	11¾	93	106	9.45	+93
BFCE	7⅝	91	97½	9.23	+57
BFCE	7	92	96.050	9.18	+52

Banks & Finance

Global Corporates

Floating Rate Notes

Dollars

Deutsche marks

Pounds

Ecus

Third World

Issuer	Con	Mat	Price	Yld	Spd Trsy
Astra Sa	16⅝	92	98	11.98	
Banobras	17¼	92	108	12.43	+397
Escom	11½	91	98	13.08	+442
Escom	12¼	91	98½	13.47	+501
Mexico	8⅝	91	87	17.55	+889
PEMEX	17¾	94	115	4.84	-382
South Africa	12½	91	100¾	11.92	+326

Dollar Zeros

Issuer	Mat	Price	Yld	Spd Trsy
ADB	04	28¾	8.99	+1

The Daily Source for International Investors.

MUTUAL FUNDS

Figures as of close of trading Friday, March 9.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL— No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x—Ex dividend.

FOR LARGE SCREEN IMAGES

Herald Tribune. INTERNATIONAL
BUSINESS/FINANCE
** MONDAY, MARCH 12, 1990

FOR DIAGNOSTIC IMAGES
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Fierce Competition Halts Return To Profitability

By Carl Gewirtz
International Herald Tribune

PARIS — Bankers' efforts to restore the profitability in underwriting Eurobonds appear to be unraveling. Intense competition to manage a dwindling supply of new paper, at a time when investors are reluctant to buy bonds, is resulting in mispricing of issues that can only be sold at a loss for the underwriters.

The syndrome — unrealistic offering prices leading to a decline in trading prices and wiping out underwriting fees — is an old one that market leaders had hoped to eradicate by adopting U.S.-style syndication procedures.

In theory, managers were to sound out the market to determine what price was needed to sell a new issue and underwriters would then agree to uniformly offer paper to investors at that agreed price.

The market has fallen back to its more traditional vicious cycle.

For a while last year it even worked, creating what bankers call a virtuous cycle whereby bonds were gobbled up at the offering price and subsequently improved, leaving investors who did not subscribe to the paper obliged to buy it at a higher price in the secondary market.

The cycle is virtuous primarily because it enables managers to pocket their fee as profit and also because the subsequent improvement in price is an incentive to investors to get their orders in early while the new issue is still being syndicated.

But of late, the market has fallen back to its more traditional vicious cycle, where prices slip after the initial offering, encouraging investors to hold back waiting to buy paper more cheaply in the secondary market. The more they hold back, the more likely the price will drop — erasing bankers' fees and sowing discord among the lead managers and among investors.

The price in question is not the yield at which the new paper trades: that is driven by market forces no one controls and is the market risk for which underwriters are paid a fee. The price market participants look at is the spread at which the new paper is offered relative to a benchmark rate.

In the dollar sector of the Eurobond market, the reference rate is the yield on U.S. government bonds and in principle, the spread on an issue should at least remain constant regardless of how trading prices move.

THE OUTSTANDING example of the virtuous cycle was last year's offering by the World Bank of $1.5 billion, 10-year global bonds. These were priced to yield 37½ basis points over the benchmark rate and at one point subsequently traded at a spread of only 20 basis points, causing grief to investors who failed to get aboard at the offering price.

But the more recent examples of managers seeking to find a consensus on the price needed to successfully market new issues are less happy.

The World Bank's second global issue — $1.5 billion of seven-year bonds — was offered to investors last month to yield 33.4 basis points over the benchmark. That spread failed to hold and the paper now trades at a spread of some 40 basis points.

Ireland's $250 million of 10-year bonds also failed to maintain the offering spread, which widened by some three basis points.

J.P. Morgan Securities Ltd. then tried a different method of seeking a consensus by marketing $711 million of five-year bonds for Denmark, using an auction system and allotting the paper at a spread of 65 basis points to all investors who had bid 65 basis points or less. On the secondary market, the Danish paper also traded three basis points wider.

Last week, Italy tapped the market for $1.5 billion of seven-year paper priced to yield 57½ basis points. The lead manager, Salomon Brothers, sought a consensus on a spread of 55 to 57 basis points. The view in the market, with Italy's outstanding four-year paper trading at a spread of around 58 basis points and its nine-year bonds trading at a spread of nearly 70 basis points, was that the new issue needed to yield at least 61 basis points over the benchmark.

The actual pricing was particularly unfortunate. U.S. bond prices plunged later in the week on news of an unexpectedly large increase in the number of U.S. workers on industry payrolls, feeding fears that the next policy change by the Federal Reserve Board will not be to lower interest rates but to increase them.

With prices everywhere falling, Italy's paper, offered at a price of 99.51, ended the week at 99.25 — virtually wiping out the commission of 0.30 percent paid to underwriters. At that discount, the paper was yielding 61 basis points over Treasury paper.

The point critics make is that if Italy had initially been priced at a spread of 61 basis points, underwriters would have been able to sell the paper and investors, although sitting on a paper loss,

See EURO, Page 11

U.S. Waste Industry Bets on 'Mr. Clean'

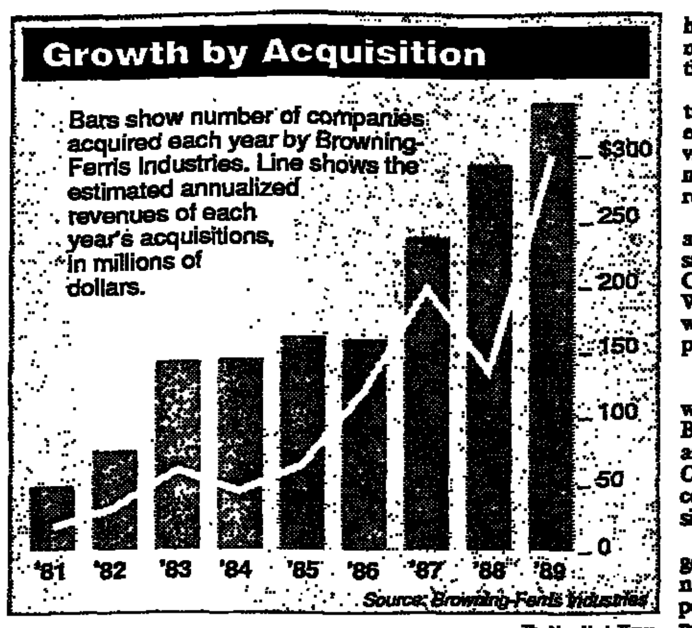
By Barnaby J. Feder
New York Times Service

HOUSTON — As the first director of the Environmental Protection Agency, in the early 1970s, William D. Ruckelshaus won praise for standing up to industry on pollution issues. In 1983, he returned to the EPA and deftly restored public trust in the agency, which had become mired in scandal and corruption under Anne M. Burford. For his achievements, the news media crowned him "Mr. Clean."

So when Mr. Ruckelshaus agreed in October 1988 to become chief executive of Browning-Ferris Industries Inc., the second-largest waste handler in the United States regarded it as something of a coup. In fact, the entire waste-disposal industry welcomed Mr. Ruckelshaus as a major asset in its efforts to live down its shady past and cope with growing opposition to new waste-disposal sites.

Harold Gershowitz, senior vice president of Waste Management in Oak Brook, Illinois, the leading waste disposal company, said: "We have a number of executives who speak about the problems, but when Bill Ruckelshaus speaks on environmental issues, there's a wider group of people willing to listen."

But whether anyone can single-handedly solve the garbage industry's image problems is improbable. The waste handlers have provided critics with every conceivable reason to distrust them, including technological fiascos, bid-rigging and other antitrust violations, mismanagement and links with organized crime.



The New York Times

Browning-Ferris itself is not beyond reproach, despite its two decades of growth and its climbing stock price. It has spent millions of dollars to pay fines and to shut down troubled operations and has earned a reputation for arrogance in its dealings with state and federal regulators.

Since taking over at Browning-Ferris, Mr. Ruckelshaus has implored his troops not just to play by the rules but to cooperate with regulators, and even work at being model citizens. And he has been trying to push those changes without disturbing the company's highly decentralized structure.

Executives at the Houston-based concern preach the virtues of letting regional and local managers run their operations almost like independent businesses. The trouble, however, is that misdeeds by local managers account for the bulk of the company's problems.

Without stronger corporate controls, critics doubt that change will ever occur. In fact, some of them view Mr. Ruckelshaus's appointment as little more than a public relations ploy.

"It's taking a nasty, tawdry mess and putting a nice wrapper on it," said William Collett of Citizens Clearinghouse on Hazardous Waste in Arlington, Virginia, which coordinates citizen campaigns against waste disposal sites.

Regulators are also skeptical.

"The jury is still out about whether this is a new, improved BFI," said Richard Sahli, acting assistant director of the EPA in Ohio, which has cited many of the company's solid-waste disposal sites in the state for violations.

For waste-disposal companies, good relations with regulators have never hurt. But now they are indispensable, since laws are stricter, penalties for violations are stiffer and opposition to nearly all forms of waste disposal is escalating.

The waste-disposal market is a barely tapped gold mine for companies like Browning-Ferris, especially since tighter laws are making it harder for factories, households and businesses to handle their own pollutants. But without the support of regulators, even those large companies may be unable to grab a larger portion of the $80 billion

See WASTE, Page 11

Talks Fail to Set Terms for East European Bank

The Associated Press

PARIS — The Soviet Union's role in the proposed international development bank for Eastern Europe proved the major sticking point Sunday as officials from 39 countries failed to reach agreement on terms for the institution.

The weekend meeting also broke up without a compromise on what currency will be used for the European Bank for Reconstruction and Development, where it will be located, or how shareholdings will be balanced against voting rights.

"The most difficult question is the eligibility of one country in particular," said Jacques Attali, a close adviser to President François Mitterrand who presided over the talks.

It was a clear reference to the Soviet Union, whose full participation in the bank has been opposed by the United States.

Mr. Attali, who has been tipped as the bank's first president, affirmed that the Soviet Union's presence at the talks meant it would have some future role and that the application of any country wishing to join would be favorably considered.

Israel, Egypt, Morocco, South Korea and Lichtenstein took part in the talks for the first time, adding to the original 34 West and East European countries, the United States and Japan.

"We have opened up the teller's window," Mr. Attali said. "The more countries that wish to support the revolutions in Central and Eastern Europe, the better."

At the first session to set terms for the bank, in January, the United States ruled out Soviet participation unless Moscow made the ruble a convertible currency and initiated other market changes.

The United States also contends the Soviet Union has not gone far enough toward democracy as other East European countries, notably Poland, Hungary and Czechoslovakia. The bank would also benefit Yugoslavia, East Germany, Romania and Bulgaria.

"The U.S. is not isolated by any means at all," Mr. Attali said, indicating other nations also object to full Soviet participation.

Mr. Attali declined to comment directly on a compromise offered by France allowing the Soviets to join the bank as a 6 percent shareholder while limiting them to 6 percent of total lending.

The issue could be resolved before the next meeting, set for April 9. Mr. Attali said negotiators were "at the point of consensus" and estimated the last hurdles would soon be overcome.

The participants did agree that the 12-nation European Community would provide 51 percent of the capital of about 10 billion European currency units ($11.98 billion), Mr. Attali said.

Mr. Attali refused to specify how the capital will be divided among the EC or how the remaining 49 percent will be spread around.

Negotiators have also found common ground on how loans will be distributed between the private and public sectors, Mr. Attali said, but he refused to reveal the formula.

Japan, Britain and the United States had insisted loans be restricted to private sector investment, while some other countries proposed allowing 40 percent be made be available for public infrastructure projects like road and telephone networks.

Finance officials taking part in the talks with diplomats remained undecided over whether the Ecu should be the official currency, Mr. Attali said.

A site and a president will be chosen as final details before an agreement is signed, Mr. Attali said. Paris, London, Copenhagen, Amsterdam, Berlin, Vienna and Prague have put themselves forward as headquarters.

"Several countries have said that if the seat isn't in their countries they's like it in Paris," said Mr. Attali. He and former Dutch Finance Minister Onno Ruding are the announced candidates for the top post.

Mr. Mitterrand proposed the bank last October. Mr. Attali predicted final terms could be set in April or May, with the bank making loans by the end of the year or in early 1991.

Opel Plans East German Production

The Associated Press

LEIPZIG, East Germany — Adam Opel AG of West Germany, a unit of General Motors Corp., signed an agreement Sunday to coproduce cars with Automobilwerk Eisenach of East Germany. It is the second automotive joint venture between the two Germanys.

Both companies said that they planned to produce 150,000 Opel cars a year at the East German company's plant in Eisenach, near the West German border.

Opel, the main European subsidiary of General Motors, makes a wide range of passenger and commercial vehicles for the European market. Automobilwerk Eisenach makes Wartburg cars, the larger and more modern of East Germany's two passenger car models.

Opel and Automobilwerk officials signed the joint-venture agreement in the presence of the East German economics minister, Christa Luft. The ceremony coincided with the opening of the Leipzig Trade Fair, marked this year by a sharply increased presence of West German industrial firms.

Opel is following the lead of Volkswagen AG, the first West German automaker to launch a joint venture in East Germany.

Volkswagen has agreed to develop a modern model of the Trabant, an East German compact car whose two-stroke engine and plastic body have made it a symbol of the country's industrial obsolescence.

Volkswagen expects the Trabant plant to start production of the new model by the end of the year and hopes to make 300,000 annually.

In Tug-of-War With Central Banks, Dollar Expected to Remain Strong

By Carl Gewirtz
International Herald Tribune

PARIS — The foreign-exchange market is engaged in a game of cat and mouse, trying without much conviction to push up the dollar and flinching each time central banks intervene to knock it down.

Analysts expect this game to continue through the week, resulting in no major change and leaving the dollar at around 1.70 Deutsche marks and roughly 150 yen.

The big test is expected next week, following the results of the March 18 election in East Germany and the result achieved by the Social Democrats.

Brendan Brown, economist at Mitsubishi Finance International in London, warned that after the euphoria set off by the opening of East Germany and the subsequent anxiety about the likely cost of reunification, the election "could well prove to be the catalyst to a third reassessment of the Deutsche mark's prospects — this time in the dimension of political considerations."

He said that markets may well become scared at the significant probability — regardless of which party wins the election — of new political scenarios, all indicating "the real prospect of a united Germany only loosely bound" to the North Atlantic Treaty Organization, or NATO.

Increased perceptions of insecurity in Europe, he said, could be expected "to buoy demand for the U.S. currency."

Analysts also noted that the current sentiment in favor of the dollar is bolstered by the fact that neither the Bundesbank nor the Bank of Japan, albeit for very different reasons, are prepared to back up their intervention by raising domestic interest rates.

The Bundesbank has its hands tied by the fact that the key economic variables — the pace of growth, inflation and manufacturing costs — are well within target and do not justify a hike in rates.

An increase anticipating a spurt in inflation appears to be ruled out for political reasons, since it would force some response from neighboring countries, many of which are already complaining about excessively high real interest rates.

The Bank of Japan has its hands tied by the Ministry of Finance, which is resisting a rise, though most economists believe an increase is long overdue.

Analysts say that if markets are convinced that the central banks will not tighten monetary policy, then the intervention is ultimately bound to fail to keep the dollar down.

Adding further fuel to sentiment in favor of the dollar was the sign of apparent discord within the Group of Seven industrial nations.

Manuel Johnson, vice chairman of the Federal Reserve Board, told a Group of Seven meeting in Japan

See DOLLAR, Page 11

Mosbacher to Press Japan On Opening Up Its Market

New York Times Service

WASHINGTON — Following the general understandings about opening up the Japanese market reached last week by President George Bush and Prime Minister Toshiki Kaifu, the United States will press Japan this week on specific market-opening measures, administration officials say.

Commerce Secretary Robert A. Mosbacher is leading a delegation to Tokyo on Monday. The talks, in which Mr. Mosbacher said "we want to make sure we translate very fine rhetoric into activity," come as Mr. Kaifu has run into criticism from opponents charging that he made excessive commitments to Mr. Bush during their meeting.

Among the cases he is bringing to Tokyo are complaints by the heads of Toys-R-Us and McDonald's about the difficulties of opening stores in Japan. One of the main obstacles is Japan's Large-Scale Retailers Law, which imposes long public consultation periods, sometimes 10 years or more, before construction can begin on retail outlets. The aim of the law is to protect small stores.

Among other specific issues likely to arise this week is the practice of "patent flooding." A U.S. high-technology lamp producer, Fusion Systems, has accused Mitsubishi Electric Co. of seeking 300 patents closely related to Fusion's core technology.

EC Ministers To Approve Union Plans

Reuters

BRUSSELS — European Community finance ministers are expected on Monday to take the first practical steps toward economic and monetary union.

After months of delay, the ministers are expected to formally adopt two texts which describe how the 12 member states should start to make their economic and monetary policies converge once the first stage of monetary union begins on July 1.

The first paper calls on EC central bank chiefs to gradually take more responsibility for setting a common monetary policy for the bloc, a precursor to establishing a European system of central banks. EC central bankers already meet once a month and may now set up a permanent secretariat.

The second text establishes a procedure for EC finance ministers to regularly scrutinize each others' economic policies in a process called multilateral surveillance.

"It's sort of a symbol that preparation for the start of stage one is now complete," said one diplomat.

EC governments, most of which, except Britain, favor the ultimate goal of a European central bank and a single currency, are to chart subsequent stages in the monetary union process at a special conference due to start in December.

Formal approval of the two texts was held up for two months by a dispute with the European Parliament, which refused to give a required opinion until it was granted an advisory role in the union process.

CURRENCY RATES

Cross Rates

March 9

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.9175	3.113	1.1261	0.3331	0.1526 *	—	5.414 *	1.2712	1.267 *
Brussels(a)	35.415	57.5125	20.7995	6.1525	2.8166 *	18.471	—	23.476	0.2341
Frankfurt	1.7016	2.763	—	0.2958	0.1354 *	0.8881	4.808 *	1.129	1.1248 *
London (b)	1.6165	—	2.7568	9.337	2,035.50	3.1022	57.40	2.4475	244.495
Milan	1,257.85	2,040.80	738.42	218.44	—	655.85	35.509	833.52	8.306
New York(c)	—	1.616 b	1.7032	5.756	1,257.25	1.9165	35.481	1.5085	151.255
Paris	5.7545	9.3465	3.3808	—	0.4577 *	3.0026	0.1626	3.8147	3.8025 *
Tokyo	151.38	248.43	89.80	26.35	0.1208	79.02	4.2861	100.33	—
Zurich	1.507	2.4451	0.8868	0.2622	0.12 *	0.7874	4.2635 *	—	0.9971 *
1 ECU	1.1982	0.7376	2.039	6.8934	1,506.48	2.2959	42.4864	1.8081	181.292
1 SDR	1.3051	0.8035	2.2287	N.Q.	1,640.73	2.5025	46.2196	1.9674	197.199

Closings in London and Zurich. fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5399.9	Fin. markka	4.015	Mex. peso	2747.53	S. Afr. rand	2.5895
Austral. $	1.3175	Greek drac.	161.20	N. Zealand $	1.6989	Soviet ruble*	0.6085
Austr. schil.	11.97	Hong Kong $	7.8132	Nig. naira*	5.2995	Span. peseta	109.40
Brazil cruz.	35.563	Indian rupee	17.153	Norw. krone	6.584	Swed. krona	6.173
Canadian $	1.1783	Indo. rupiah	1803.98	Phil. peso	22.39	Taiwan $	25.95
Chinese Yuan*	4.72	Irish £	0.6286	Port. escudo	158.05	Thai baht	25.71
Danish krone	6.522	Israeli shek.	2.0094	Saudi riyal	3.748	Turkish lira	2407.96
Egypt. pound	2.6433	Kuwaiti dinar	0.2913	Sing. $	1.8715	UAE dirham	3.67
		Malay. ring.	2.705	S. Kor. won	698.50	Venez. boliv.	41.00

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6132	1.6052	1.5967	Canadian dollar	1.1830	1.1877	1.1920
Japanese yen	151.13	150.99	150.89	Swiss franc	1.5071	1.5064	1.5056
Deutsche mark	1.7016	1.7016	1.7016				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Mar. 9	Mar. 2	Ch'ge
DJ Indus.	2,683.33	2,660.36	+0.86 %
DJ Util.	219.50	219.63	—0.06 %
DJ Trans.	1,139.05	1,145.98	—0.61 %
S & P 100	318.13	315.66	+0.78 %
S & P 500	337.93	335.54	+0.71 %
S & P Ind	390.35	386.25	+1.06 %
NYSE Co	186.18	184.97	+0.65 %
Britain			
FTSE 100	2,234.30	2,254.80	—0.91 %
FT 30	1,763.80	1,774.20	—0.59 %
Japan			
Nikkei 225	33,993.00	34,057.00	—0.19 %
West Germany			
DAX	1,858.74	1,818.23	+2.23 %
Hong Kong			
Hang Seng	2,912.67	2,937.93	—0.86 %
World			
MSCIP	513.70	510.70	+0.59 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Mar. 9	Mar. 2
Discount rate	7.00	7.00
Federal funds rate	8¼	8¼
Prime rate	10.00	10.00
Japan		
Discount	4¼	4¼
Call money	6 17/32	6 9/16
3-month interbank	7 9/32	7¼
West Germany		
Lombard	8.00	8.00
Call money	7.90	7.95
3-month interbank	8.45	8½
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	15.00
3-month interbank	15⅝	15¼

Gold	Mar. 9	Mar. 2	Ch'ge
London p.m. fix.$	399.30	405.05	—1.42 %

Singapore Expands Facilities for Asia-Pacific Aviation Boom

By Michael Richardson
International Herald Tribune

SINGAPORE — As part of a long-range plan to consolidate its position as a leading hub for international aviation, Singapore is to spend 1.6 billion Singapore dollars ($855 million) over the next decade on a third terminal and other airport improvements.

This spending comes in addition to a second terminal at Changi airport that is due to open in October at a cost of 650 million dollars.

Analysts said that by expanding and modernizing its airline and ground facilities, Singapore intended to take full advantage of a predicted trebling in Asia-Pacific air traffic to 187 million passengers annually by the year 2000.

But one analyst said that if the boom forecast by the International Civil Aviation Organization failed to materialize, Singapore would be "left with an expensive and underused white elephant."

Singapore Airlines announced last week that it had awarded a contract worth $2.2 billion to Pratt & Whitney of the United States for 234 engines to power a fleet of 30 long-range Boeing 747-400 and 20 McDonnell Douglas MD-11 aircraft ordered in January.

Analysts said that Singapore's aviation investment is also intended to ward off a challenge from Thailand to become the main air service center for Southeast Asia.

Aviation officials in both countries have acknowledged that airport congestion could crimp their plans. Changi, along with Don Muang in Bangkok, is reaching saturation point, they added.

Yeo Ning Hong, the Singapore communications minister, described the morning and evening peak periods at Changi as "extremely uncomfortable." But he said that the opening of the second terminal would solve this problem.

Srisook Chantrarangsu, director-general of Thailand's department of aviation, said that terminal and runway congestion at Don Muang during peak traffic periods was already serious. "The departure lounge is like London's Oxford Street in rush hour," he said.

By the end of 1989, several years of faster economic growth and increased tourism had enabled Thailand to come within range of matching Singapore in air passenger and cargo traffic.

At Changi airport, 51 scheduled airlines linked Singapore to 110 cities in 54 countries through 1,700 weekly flights. At Don Muang airport, 57 scheduled airlines connected Thailand to 89 cities in 54 countries through 1,323 weekly services.

While Changi handled 14.1 million passengers and 578,000 tons of cargo last year, Don Muang had 13.5 million passengers and 350,000 tons of cargo.

In the East Asia and Western Pacific regions, only Tokyo's Narita and the Hong Kong and Sydney airports were busier.

Airline executives said that Thailand is more attractive than Singapore as a tourist destination. It is also closer to the emerging markets of Indochina and Burma, and the centers of cargo and traffic generation in Europe, Northeast Asia and North America.

"But Singapore airport's ability to cope with the future is much greater than here," said a Bangkok-based manager of an international airline. "Singapore has proven to be much better at planning than Thailand, particularly long-range planning."

Thai aviation planners underestimated the air traffic boom. Since the opening of a new $200 million international terminal at Don Muang in 1987, the volume of passengers and cargo has grown about 20 percent a year.

Thai officials said that the airport's annual capacity of 16 million travelers could be exceeded by 1993, with shortages in cargo handling and overnight parking space for aircraft occurring by the end of this year.

To offset this squeeze, the Airports Authority of Thailand said it would expand existing facilities at Don Muang and press ahead with a master plan for the future, which may include a second international airport near Bangkok.

But Mr. Srisook said that Thailand was not moving fast enough.

"I think we have been too conservative," he said.

Singapore has a program for future expansion of its airport "so that we will not run short of capacity for many years to come," said Lim Hock San, director-general of the Civil Aviation Authority of Singapore.

When the second terminal opens at Changi it will double passenger handling capacity to 24 million a year, he added. Singapore will then have the largest handling capacity in East Asia and the Western Pacific.

Mr. Yeo said that the 1.6 billion dollars would be spent on a third terminal capable of accepting another 12 million passengers a year by 1998, enlarged cargo handling and extension of the second of Changi airport's two runways.

Swiss Parliament to Tackle De Beers's Gem Imports

Reuters

ZURICH — De Beers Consolidated Mines Ltd., the world's largest diamond producer, will soon be in the spotlight in the Swiss Parliament over its surging imports of diamonds.

De Beers recently attracted news media attention in Switzerland when it announced plans to set up a Swiss company, De Beers Centenary AG, to run its foreign businesses.

A parliamentary debate, set for March 21, was requested by the Green Party, which opposes all trade with South Africa, where De Beers has its headquarters, and which wants Bern to impose economic sanctions on Pretoria.

"We want clear answers from the government why this diamond business is coming to Switzerland," said Monika Stocker, one of the party's 10 deputies in the lower house.

Official government policy is to ensure that Switzerland is not used for circumventing other countries' sanctions.

De Beers already has a Swiss offshoot, Diamond Trading Co., which was set up in Lucerne 15 years ago and which imports rough nonindustrial diamonds for sorting and selling to diamond cutters.

For U.S. Executives, a Loud Lesson in Churchill

By N.R. Kleinfield
New York Times Service

NEW YORK — The well-fed man in the three-piece suit chomped on a cigar and bellowed: "We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills. We shall never surrender."

The small group of mid-level executives from the insurance company Johnson & Higgins looked a little befuddled but they sopped it up. They had never heard Winston Churchill before. Winston Churchill? Talking to insurance people? Sort of. It was, in fact, James Humes.

Mr. Humes performs one of the most popular and most bizarre acts on the corporate stage. He teaches executives better ways to speak and to motivate salesmen by impersonating Winston Churchill. And he was born for the role.

Other than having too much hair, James Humes looks, acts and talks like Churchill. But why invoke a deceased British prime minister in the offices of insurance people and shampoo makers? Mr. Humes is of the mind that the lusty, jowly former prime minister was the all-time greatest orator, and thus he feels a businessman could do worse than to mimic Churchill.

No, he doesn't urge John Reed of Citicorp or John Akers of IBM to put on a lot of weight and begin talking in a deep-throated British accent. But he does think everyone can profit from an examination of Churchill's facility with words.

Mr. Humes is riding a wave of interest in speech coaches as an increasing number of businesses spend money to sharpen the speech skills of executives. Nearly half of all medium and large corporations, speech instructors estimate, furnish public-speaking training.

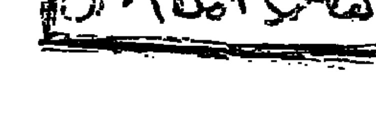
The Churchill angle is what clearly sets Humes apart. But he differs from most others in that he also discusses the crafting of a speech.

"There are a lot of people out there teaching how to read a speech, how to face a television camera," he said. "But very few teach about the contents of speeches. You can teach someone how to read the telephone directory like it's never been read before, but, let's face it, after it's all over, it's still the telephone directory."

Mr. Humes began giving his "The Language of Leadership" presentation in the early 1980s. It has attracted an ardent following. He has been hired by GTE, IBM, Bristol-Myers, Upjohn, Coors, Security Pacific, the U.S. Customs Office and the Securities and Exchange Commission.

He delivers the roughly one-hour presentation an average of three times every two weeks. His fee is about $3,500.

The concept actually sprang from a promotional gimmick. He wrote a biography about Churchill that was published in 1980. To promote it, he traveled across the country giving a lecture on Churchill in which he very convincingly impersonated him. It struck him that he might profitably mold that into a seminar to teach speaking to businessmen.



NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, March 9.

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Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			999	29½	28¾	29½	+ ¾
ABS s	.32	4.9	181	7	6½	6½	+ ¼
ACC Co	.16	1.8	737	10	8½	9	
ADC			3481	22	19¾	21½	+1¾
ADT			20111	32½	30	30¾	—1¾
AEL			236	6	5¼	6	+ ⅜
AEP s			77	15¼	14¾	14¾	— ¼
AIRCOA			10	½	½	½	— ½
ALC h			5068	⅝	⅜	⅝	+ ⅛
ASK			9732	9½	9	9¼	+ ¼
AST			28711	16	14¼	14⅞	—1
AamRt	.10	1.1	40	9½	9⅜	9⅜	
AbingB	.16	2.9	16	5½	5½	5½	— ½
AbeLinc			16	7¾	7	7½	— ¼
Abrams s	.20	4.0	49	x5	4⅞	5	— ¼
Acadia			755	1	⅞		+
Accel	†		1860	7¾	7⅛	7½	— ¼
Acclaim s			4186	7⅛	6⅜	7⅛	+ ⅜
Acl wtB			1462	1½	1⅛	1½	+ ⅜
Acsto	.14b	1.0	103	14¼	14	14½	+ ¾
ACMT			6	13¼	13¼	13¼	+1¼
AcmeSt			908	15½	13¼	15½	+ ⅜
ActARt			1541	7⅜	6½	6¾	— ⅜
AclmSv	.32b	5.1	164	6¼	5½	6¼	
ActAuSt			267	2⅞	2⅛	2⅝	
Acxiom			387	22½	21½	22¼	+ ⅝
AdacLb	.16	5.6	11455	3¼	2⅞	2⅞	— ¼
Adage			153	1⅜	1	1⅛	+ ⅛
Adapt			32059	23½	19	23	+4
Adinol s			3437	17¾	16¼	17¼	+ ½
AdiaSv	.14	.6	949	23½	23¼	23¼	
AdobeS	.20e	.5	73246	39¾	30¼	37¼	+7¾
Adtec			444	2¼	2	2	— ⅛
AdvCir s			2493	8	6¾	7⅛	+ ⅞
AdvRos			102	10	9⅛	9⅝	— ⅛
AdvMag			76	13¼	12¾	12¾	— ½
AdMkSv			1828	6¼	6	6¼	+ ⅛
AdvPoly			3283	6⅝	5¾	6	
AdvSem			143	5¾	5	5⅜	+ ⅛
AdvTel			1811	16	13½	15¼	+1½
Advanta	.13e	1.3	2250	11⅛	9⅝	10⅝	+ ½
AdvoSy			4974	10¼	9	10⅛	+1¼
Aequitrn			238	2¼	2⅛	2⅛	
Aegon	1.39e	2.5	136	56	54⅞	55⅝	+ ⅞
AerSysl			156	⅝	⅜	⅜	
Aerovx			3468	5¼	3¾	3⅞	—1⅜
AllBcCp	.32	7.1	51	4⅝	4½	4½	— ⅛
AflBsh			356	11¼	10¾	11	+ ¼
AgncyR	†		9821	14⅜	12¼	13⅛	—1⅜
Agnico g	.20	2.1	1298	9⅝	9¼	9⅝	— ⅛
Agouron			89	9⅝	9¼	9⅝	+ ½
AirMd			1765	4¼	4	4¼	+ ¼
AirWisc	†		544	9⅞	8⅝	9⅛	
AirInd			34	1⅜	1⅛	1⅜	— ⅛
Airtran	.16	2.3	1486	7⅜	6⅞	7	— ⅛
Akorn	.07e	4.5	126	1⅜	1⅜	1⅜	— ⅛
Akzo	1.46e	4.3	1554	33¾	31¾	33⅝	+2⅝
AlamBc	.60a	2.5	42	25¼	24¼	24¼	+ ¼
Alaten	1.10	10.2	207	11¼	10¾	10¾	— ½
Aldus			6839	22¼	20½	20½	—1¼
AlexBr	.22	2.0	903	10⅜	10⅛	10⅝	+ ¼
AlexBld	.80	2.5	6224	31⅝	30	31⅝	+1⅝
AlfaCp	.36	3.4	62	10½	10	10½	+ ⅝
Alico	.20	.6	57	32¼	30½	31	— ½
AllAm s			14	1⅜	1⅜	1⅜	+ ¼
AlegW			3168	9⅞	9⅝	9⅝	
AlnOrg	.40a	1.1	1	35¼	35¼	35¼	
AllanPh			4903	12½	10¼	12	+1½
AlnPh wt			192	3¼	1¾	2½	+1
Alliant			4883	8⅛	6⅝	7¾	+ ⅝
AlldBk	.30	4.4	452	7½	6¾	6⅞	+ ⅛
AlldCap	1.19e	6.7	800	18¼	17½	17¾	
AldCoII	.16e	1.0	1879	15⅛	14¾	15⅛	+ ⅜
AlldGp	.48	3.7	136	13½	12	13	+ ¾
AlldRsh			200	2¼	2	2¼	+ ¼
AlovCot			1995	2⅛	1⅝	2	+ ½
AlistFn			356	8⅛	7¼	8¼	+ ⅜
Allwst s			15199	9½	8⅞	9½	+ ½
Aloette	.32	1.9	1487	17	15¾	16½	+ ½
Alphari			455	⅞	¾	⅞	+ ⅛
AlpMic			497	4	3½	3¾	
AltoGld	.06e	1.3	8772	5¼	4½	4⅝	— ⅞
Altai			57	3⅛	3	3	
Altera			9795	10¾	9⅞	10	— ¾
Altus			1088	1⅜	1⅛	1¼	
Altos			1480	5¾	5⅛	5⅝	+ ⅜
Altron			1510	6½	6⅛	6⅞	+1⅛
AmcorF	.50	3.3	40	15⅛	15	15⅛	+ ⅛
Amrian	.40	3.1	17	12¾	12	12¾	+ ¼
Amerbc	.17r	2.6	278	x6½	5¾	6½	
AFFMf2	2.54e	30.3	595	8⅝	8¼	8⅜	+ ⅛
AFFF	1.50	8.0	288	19	18¾	18¾	— ½
AmFPr	1.30	10.2	458	13	12	12¾	+ ¼
AFTxE	1.00	10.3	484	9¾	9	9¾	

(Continued on next page)

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Austria	Sch 3,000	1993	⅛	100.05	—	Below 3-month Vienna interbank offered rate. Renewable in 3-year terms until 2002. Callable at par starting in 1993. Fees 0.20%. Denominations 1 million schillings. (J.P. Morgan Securities.)
Fixed-Coupons						
Industrial Bank of Japan	$100	2000	9.80	102	—	Callable at par in 1994. Fees 2%. (IBJ Int'l.)
Italy	$1,500	1997	9⅝	99.51	99.20	Noncallable. Fees 0.30%. Denominations $10,000. (Salomon Brothers Int'l.)
National Bank of Hungary	DM 300	1997	10	100	—	Noncallable. Fees 2¼%. Increased from 200 million marks. (Commerzbank.)
Bear Stearns Mortgage Securities Number 1	£ 123.97	2017	11¾	94	—	Monthly. Average life 9.95 years. Fees ⅝%. Denominations £10,000. (Barclays de Zoete Wedd.)
European Investment Bank	£100	1998	13	99½	—	Noncallable. Fees 1⅞%. (Baring Brothers & Co.)
European Investment Bank	ECU 300	1997	10	94.80	95.00	Noncallable. Fees 0.30%. (UBS-Phillips & Drew Securities.)
European Investment Bank	PTA 15,000	2000	13.90	100	—	Noncallable. Fees 1⅝%. (Banco Hispano Americano.)
CIBC (London)	C$ 100	1992	13⅛	101⅜	100.73	Noncallable. Fees 1⅛%. (Wood Gundy.)
State Bank of South Australia	Aus$ 50	1992	16	101.95	101.60	Noncallable. Fees 1⅛%. (Hambros Bank.)
Abbey National Treasury Services	Y 10,000	1995	7.70	101.775	—	Callable at par in 1991. Fees 1⅝%. Denominations 10 million yen. (Daiwa Europe.)
Baltica Bank	Y 10,000	1992	6¾	100.135	—	Noncallable. Fees 1⅛%. Denominations 10 million yen. (Mitsui Trust Int'l.)
Interfinance Crédit National	Y 10,000	1995	7¼	101⅜	—	Noncallable. Fees 1⅝%. (IBJ Int'l.)
Okobank	Y 3,000	1992	9	101¼	—	Redemption amount at maturity will be linked to the performance of the Nikkei 225 stock index. Noncallable. Fees 1⅛%. Denominations 10 million yen. (New Japan Securities Europe.)
Equity-Linked						
CRH Capital	$ 72	2005	5¾	100	—	Semiannually. Redeemable in 1995 to yield 9.03%. Convertible into company's preferred shares at 3.32 punts per share, a 15% premium. Fees 2½%. (UBS-Phillips & Drew Securities.)
Fujikura	$200	1994	2⅜	100	95.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set March 13. (Nomura Int'l.)
Hazama	$200	1994	2⅜	100	101.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,446 yen per share and at 151.40 yen per dollar. Fees 2¼%. (Daiwa Europe.)
Makino Milling Machine	$190	1994	2⅜	100	100.13	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set March 15. (Daiwa Europe.)
Matsushita Electric Industrial	$1,000.	1994	2⅜	100	96.00	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at 2,163 yen per share and at 152.30 yen per dollar. Fees 2¼%. (Nomura Int'l.)
Mitsubishi Oil	$250	1994	2⅜	100	94.75	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at 1,374 yen per share and at 151.25 yen per dollar. Fees 2¼%. (Yamaichi Int'l Europe.)
SMC	$300	1994	2⅜	100	100.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set March 12. (Nikko Securities Europe.)
Daily Mail & General Trust	£ 70	2005	8¾	100	100.25	Noncallable. Convertible into shares of Reuters Holding PLC at 1,207 pence per share, a 16% premium. Fees 2½%. (Baring Brothers & Co.)

Rhône-Poulenc Seeks $1.6 Billion Loan

Firm Turns to Royal Bank of Canada For Help on $3.2 Billion Rorer Stake

By Carl Gewirtz
International Herald Tribune

PARIS — Rhône-Poulenc, the French state-owned chemical company, is preparing to tap the international credit market for a loan of $1.6 billion to help finance its $3.2 billion purchase of a 68 percent stake in Rorer Group Inc., a Philadelphia-based drug company.

Bankers described the terms of the seven-year loan as aggressively narrow, explained by the fact that the mandate to arrange the credit was awarded to a relative outsider, Royal Bank of Canada.

Interest on the loan starts at 15 basis points over the London interbank offered rate for the first three years, then rises to 20 basis points in the final four years.

Bankers in Paris and London said that in today's market conditions, the margin on the loan should be at least 25 basis points, rather than the average 18 basis points it is offering to pay.

In London, Reckitt & Colman PLC announced it will be tapping the market for a two-year loan of $1.7 billion. This will cover the $1.25 billion it is paying to take over Boyle-Midway, the household-products division of American Home Products Corp. Boyle-Midway adds such leading brands as Woolite and Easy-Off oven cleaner to Reckitt's portfolio and doubles the size of its U.S. core household and toiletries business, company officials said.

In addition to the loan, which covers the acquisition cost and the refinancing of existing borrowings

INTERNATIONAL CREDIT

and working-capital needs, Reckitt is also raising £200 million ($323 million) through a rights offering to existing shareholders of convertible bonds.

The 9½ percent bonds mature in 2005 and will be convertible into 15.8 million shares at a price of £12.63, a 13 percent premium over Friday's closing price of £11.17.

The company will need the extra cash because it is going to run down its outstanding commercial paper to allow creditors time to assess the impact of the takeover on Reckitt. Company officials said they will not seek to roll over the maturing $25 million in commercial paper outstanding in the Euromarket and almost $100 million outstanding in the U.S. market.

Standard & Poor's announced last week that it was reviewing Reckitt & Colman with a view to downgrading its high short-term credit rating because the cost of the takeover is likely to significantly effect the group's financial structure.

Terms of the syndicated credit, which is being organized by S.G. Warburg, will not be revealed until later this week.

Elsewhere in the market, Greece appointed nine banks, headed by Chase Manhattan, to syndicate a $500 million, eight-year loan. The lead group subsequently was expanded to 14 banks.

Both the terms and the timing raised eyebrows as the Greek economy is in urgent need of fundamental overhaul and the country goes to the polls April 8 for the third general election in 10 months.

Managers said the intention is to achieve a speedy syndication so that books can close before the end of March to accommodate Japanese banks, whose fiscal year ends then. The Japanese are expected to provide at least half the total loan.

Interest is set at 35 basis points over LIBOR for the full eight years, with fees of 30 basis points to banks underwriting $17.5 million.

Greek officials said the favorable pricing reflected a willingness of banks to look beyond the country's political and economic problems, and also the fact that Greece is a member of the European Community.

There are very few international borrowings these days from countries, like Greece, that carry a zero capital-risk weighting on lenders' books.

Chase will also be syndicating a $211.44 million loan for Ethiopian Airlines. This will be in the form of senior debt, while General Electric Capital Corp. will provide another $100 million as subordinated debt. The 15-year loan will be secured by aircraft.

In the commercial-paper market, General Electric Capital Corp. appointed Shearson Lehman Hutton International to arrange a $2 billion multicurrency Eurocommercial paper program with Citicorp, Kidder Peabody, J.P. Morgan and UBS/Phillips & Drew named as additional dealers.

Shell Finance of the Netherlands appointed Citicorp to arrange a $1 billion Eurocommercial paper program that incorporates a medium-term note option. Additional dealers are Daiwa, J.P. Morgan, Swiss Bank Corp. and UBS.

Greenspan Report Is Rejected

New York Times Service

WASHINGTON — A report that President George Bush is unlikely to ask Alan Greenspan to stay on as chairman of the Federal Reserve Board when his term expires in 17 months has drawn strong denials from the White House and the Treasury.

The report, by the Washington bureau chief of the Los Angeles Times, was taken seriously by some analysts, who saw it as another sign of White House unease with monetary policies that have led to about a half-percentage-point increase in long-term rates this year.

More broadly, the report was seen as marking another chapter in a story of uneasy relations between the White House and the Fed.

Richard G. Darman, director of the Office of Management and Budget, and Mr. Bush himself have said that the Fed should lower interest rates to maintain growth.

But no administration official has suggested publicly that Mr. Greenspan's job might be on the line if he failed to respond to this pressure.

Roger Bolton, an assistant secretary of the Treasury, called the Los Angeles Times report "unfounded."

Banks Lose Appetite for Soviet Loans

Reuters

LONDON — The Soviet Union, once rated as one of the world's safest credit risks, has fallen on hard times within international banking circles, according to British economists and bankers.

Western banks have lost much of their appetite for making fresh Soviet loans, thinning the ranks of would-be lenders and forcing up the potential cost of new hard-currency financing.

Some analysts even believe the Soviet Union can no longer count on commercial lenders for a ready and predictable market in big loans.

"The Soviet Union has moved from being a country with a high credit rating to one on the margin of having debt-servicing problems," said David Dyker, a specialist in East European economics at the University of Sussex.

Just over a year ago, the Soviet Union could not only count on ready markets for fresh loans, the cost of new financing was actually being driven down amid Western optimism over the pace of economic changes.

But political and economic chaos, underscored by fears of civil war, have undermined Western confidence in the country's ability to dismantle its monolithic economic system.

Some Western banks are trying to cut Soviet debt exposure by offering old loans for sale at 3 percent to 5 percent discounts to face value — which analysts say puts yields a full percentage point above initial borrowing costs.

Late in 1988, when Western euphoria over perestroika was at its height, the Soviet Union's Vneshe-conombank was able to raise Western bank loans at a slim margin of 0.1875 percent over the London interbank offered rate, well below the 0.625 over LIBOR that prevailed just before Mr. Gorbachev came to power in 1985.

U.S. Bonds Fall on Jobless Report

Compiled by Our Staff From Dispatches

NEW YORK — Prices of U.S. Treasury securities tumbled last week, with much of the decline coming Friday after the government reported an unexpectedly large rise in civilian employment in February.

The Treasury's bellwether 8½ percent bonds that mature in 2020 closed Friday at 98 22/32, to yield 8.62 percent, down in price from 99 11/32 and a yield of 8.56 percent a week earlier.

Traders said the jobs report unnerved bond market investors because it was taken as a sign of U.S. economic strength that raised fears of inflation and higher interest rates, either of which would reduce the value of existing fixed-income debt issues.

In its report, the government said 372,000 jobs were created in February. It also revised the increase in January jobs to 332,000 from 275,000.

Credit market analysts were quick to note that the February increase included the hiring of some 30,000 census takers and the rehiring of roughly 70,000 auto workers laid off in January, as well as an increase in construction work, brought on by the mild weather of the last two months.

Nonetheless, prices of fixed-income securities plunged in the morning on Friday and remained depressed throughout the day.

The biggest losses were posted in trading of bond futures at the Chicago Board of Trade. People in the

U.S. CREDIT MARKETS

futures market took the job data at face value, traders said, and sold throughout the session.

Analysts said that the data on Friday are unlikely to change to steady posture of Fed policy, but that they shift the long-term focus from a probable easing of conditions to a possible tightening.

"It is probably inappropriate to fear an outright tightening of monetary policy," said Elliot Platt, economist at Donaldson Lufkin & Jenrette Securities Corp. But he added that "it is quite likely that many analysts will turn to thoughts of potential Fed policy firming."

The shift in sentiment was reflected in sharp rises in some short-term interest rates last week.

Rates on three-month Treasury bills, for example, rose to 7.97 percent from 7.75 percent a week ago, while rates on six month bills increased to 7.88 percent, also from 7.75 percent the previous week.

Analysts said the economic data scheduled to be released this week are likely to cause few major ripples in the market.

The focus will be on the strength of consumer spending, with retail sales for February expected to show a slim 0.1 percent rise on Tuesday, in part because of weak car and truck sales.

Producer prices for February will be of greater interest to the market. Analysts said the index of wholesale prices is likely to have remained unchanged last month, a welcome relief from a month earlier when cold weather caused prices to soar 1.8 percent. *(NYT, Reuters)*

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Tokyo Said to Be Making Major Loan to Moscow

Reuters

TOKYO — The Export-Import Bank of Japan has approved a major loan to the Soviet Union to purchase Japanese refrigeration equipment, a move that will bring to an end a two-year lull in lending to Moscow by the government institution, according to Japanese press reports on Saturday.

The bank, in cooperation with five Japanese commercial banks, will extend a total of 15 billion yen ($991.4 million) to enable the Soviet Union to purchase refrigeration-plant equipment manufactured by Sanyo Electric Co., the daily Asahi Shimbun and other news organizations quoted financial sources as saying.

The formal signing of the loan is not expected to take place until the end of March, the reports said.

INTERNATIONAL BusinessWeek

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EURO: *Competition Stymies Return to Profitability*

(Continued from first finance page)

would have little to complain about since the spread had remained constant in an environment of falling prices.

As it is, underwriters sitting on unplaced paper now can only get it off their books at perhaps a gain of four basis points. That is better than an outright loss, but hardly enough to cover their costs.

The situation was even worse for underwriters of the European Investment Bank's £100 million of eight-year, 13 percent bonds priced at 99½. The paper was supposed to be offered at a fixed spread of 73 basis points over gilts to leave underwriters with a fee of 20 basis points. The launch terms were deemed too tight making it difficult to market the paper and by week's end — with the pound under attack and the bond market falling in reaction to the violent protest against the new poll tax — the EIB paper was well under water.

What these examples show is that the new syndication procedures are not a panacea for bad market practices. Whether using the old-style "bought deal," where the lead manager unilaterally sets the terms — often containing a subsidy for the issuer — or using new procedures aimed at establishing a consensus price, banks remain unable to resist the competitive pressures for winning new business and continue to tilt terms in favor of issuers.

By contrast, the European Investment Bank's issue in European currency units, a reopening of an existing issue, was the very model of how the new syndication procedures should work. The initial 500 million ECU offering had been issued to yield 15 basis points more than the ECU bonds of the French Treasury and was trading at a spread of 12 basis points when the new issue was announced.

Last week's additional 300 million ECU deal was intended to be priced at a spread of 14 to 16 basis points over the benchmark. But lead manager UBS/Phillips & Drew, responding to market soundings, convinced the EIB that a spread of 18 basis points was needed to assure a successful placement.

The seven-year bonds carrying a coupon of 10 percent and offered at a price of 94.80 ended the week at a modest premium of 95, leaving underwriters with their fee of 30 basis points intact and investors satisfied that they had subscribed for the bonds. The reopening made the total EIB issue the largest seven-year issue denominated in ECUs.

The pricing reflected the current market reality that with very little new money being committed to the bond market, new issues have to be priced at a premium to secondary market levels to encourage investors to switch out of existing holdings and into new issues.

WASTE: *U.S. Disposal Industry Bets on 'Mr. Clean'*

(Continued from first finance page)

spent each year to deal with waste.

Citizens' groups have become steadily more adept at marshaling their outrage against companies looking to put waste processing and disposal plants in their neighborhoods. Already, Browning-Ferris says, it typically petitions for 10 landfills to get approval to open or extend just one.

"The problem with waste," Mr. Ruckelshaus said, "is that everyone wants you to pick it up and no one wants you to put it down."

The government may ultimately have to intervene in the siting process to replace at least some of the 2,000-plus out of 6,500 U.S. solid waste pits that it expects will be closed over the next five years.

But intervention is bound to be accompanied by even tighter regulations, giving companies with the best regulatory rapport an advantage. And in this area, Waste Management tops Browning-Ferris.

The two companies have been co-defendants in several price-fixing disputes. But because Waste Management began suffering from conflicts with regulators earlier, it got a jump on Browning-Ferris in dealing with the problem.

Regulators in Ohio, for instance, say that while Browning-Ferris ignored their protests against the trucking of waste from the Atlantic seaboard into aging, poorly designed dumps in the state, Waste Management was careful to import only small amounts of refuse.

Some say the difference comes down to management styles.

"At Waste Management, everything of any importance in decision-making comes back to Oak Brook," said Oliver Nicklin, president of the First Analysis Corp., an investment firm in Chicago. "At Browning, the personality of the company has tended to be that of the regional manager."

Mr. Ruckelshaus says he has no intention of changing that distinction — a legacy of Harry J. Phillips, the company's longtime chairman and chief executive. Mr. Phillips invited Mr. Ruckelshaus to join the company's board in 1987, and a year later decided to take early retirement if he could convince Mr. Ruckelshaus to take over.

With public opposition growing and regulations tightening, it had become clear, both men say, that Browning-Ferris needed a high-profile leader well versed in the regulatory process and the art of conciliation. Mr. Ruckelshaus fit the description.

During the last decade, Browning-Ferris's sales have nearly quintupled, to $2.55 billion, while its net income has risen to $262.6 million, from $34.5 million.

The company collects garbage from more than 4.5 million homes and half a million businesses, operates more than 100 landfills worldwide, and is a leading recycler, with more than a million customers.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Britain

Bicc

Year	1989	1988
Revenue	3,798.	3,340.
Profits	201.00	156.00
Per Share	0.46	0.38

Coats Viyella

Year	1989	1988
Revenue	1,900.	1,850.
Profits	137.40	135.30
Per Share	0.151	0.161

GKN

Year	1989	1988
Revenue	2,490.	2,370.
Pretax Net	214.30	177.40
Per Share	0.80	0.44

TI Group

Year	1989	1988
Revenue	926.90	758.96
Profit	111.50	85.40
Per Share	0.49	0.361

Ultramar

Year	1989	1988
Revenue	1,760.	1,280.
Pretax Net	187.30	110.80
Per Share	0.276	0.171

Canada

PWA

Year	1989	1988
Revenue	2,470.	2,305.
Profit	(a)56.9	30.30
Per Share	—	1.25

a: Loss.

Royal Bank of Canada

1st Quar.	1990	1989
Profits	274.00	270.00
Per Share	0.86	0.89

Japan

Asahi Glass

Year	1989	1988
Revenue	1,098.T	986,980.
Profit	59,090.	46,080.
Per Share	50.74	39.96

T: trillion.

Switzerland

Jacobs Suchard

Year	1989	1988
Revenue	6,670.	n.a.
Profits	275.00	307.00

Swiss Bank Corp.

Year	1989	1988
Profit	749.50	675.10

United States

Fluor

1st Quar.	1990	1989
Revenue	1,580.	1,420.
Net Inc.	28.20	21.40
Per Share	0.35	0.27

K Mart

4th Quar.	1989	1988
Revenue	9,750.	9,420.
Net Inc.	(a)20.50	393.20
Per Share	—	1.96

Year	1989	1988
Revenue	29,500.	27,300.
Net Inc.	322.70	802.90
Per Share	1.61	4.00

a: loss.

May Department Stores

4th Quar.	1989	1988
Revenue	3,230.	2,910.
Net Inc.	283.00	230.00
Per Share	2.00	1.57

Subaru of America

1st Quar.	1990	1989
Revenue	346.30	432.30
Net Inc.	9.98(a)	12.30
Per Share	0.19	—

a: loss.

Transamerica

4th Quar.	1990	1989
Net Inc.	76.10	58.00
Per Share	0.95	0.73

Year	1989	1988
Net Inc.	332.20	262.10
Per Share	4.18	3.30

Wal-Mart Stores

4th Quar.	1989	1988
Revenue	8,160.	6,680.
Net Inc.	425.90	321.20
Per Share	0.75	0.57

Year	1989	1988
Revenue	25,990.	20,790.
Net Inc.	1,080.	837.20
Per Share	1.90	1.48

Net results include charges of $19.7 million vs $55.9 million in year.

Woolworth

4th Quar.	1989	1988
Revenue	2,800.	2,550.
Net Inc.	175.00	144.00
Per Share	2.73	2.23

Year	1989	1988
Revenue	8,820.	8,090.
Net Inc.	329.00	288.00
Per Share	5.11	4.47

Nillets include credit of $34 million vs charge of $18 million in quarter, and credit of $7 million vs charge of $33 million in year.

DOLLAR: *Strength Expected*

(Continued from first finance page)

that "no depreciation of the dollar would be appropriate." He told a news conference that U.S. monetary authorities would be concerned about any broad-based depreciation of the dollar.

At the same meeting, a Bundesbank board member, Hans Tietmeyer, said that "the Deutsche mark is a strong currency and will be a strong currency in the short and long term, and we will do our best to see to that."

While the apparent contradiction of the two statements roiled the market, analysts questioned whether Mr. Johnson, who has regularly emerged in the minutes of Fed board meetings as a minority voice, really speaks for the Fed.

Meanwhile, dealers in New York and Europe doubted whether the political turmoil in Britain, which sent sterling spiraling down on Friday, would have any major impact on the overall market.

Euromarts At a Glance

Eurobond Yields

	Mar. 7	Feb. 28
U.S. $, 8 yrs & over	9.45	9.25
U.S. $, 5 to 7 yrs	9.34	9.28
U.S. $, less than 5 yrs	9.15	8.83
Pounds sterling, less than 5 yrs	14.62	14.18
French francs, less than 5 yrs	11.65	11.46
Ital. lire, less than 5 yrs	12.81	12.73
Danish kroner, less than 5 yrs	12.17	12.22
ECU, 8 yrs & over	10.98	10.82
ECU, 5 to 7 yrs	11.14	10.86
Can. $, less than 5 yrs	12.74	12.54
Aus. $, less than 5 yrs	15.86	15.43
N.Z. $, less than 5 yrs	13.59	13.56
Yen, 5 to 7 yrs	6.95	6.93
Yen, less than 5 yrs	6.87	6.85

Source: Luxembourg Stock Exchange.

Weekly Sales — March 9

Primary Market

	Cedel $	Cedel Next	Euroclear $	Euroclear Next
Straights	184.90	424.10	1,205.00	621.20
Convert.	1.00	—	28.40	—
FRNs	13.00	46.40	205.20	438.30
ECP	2,956.90	403.70	5,899.90	2,597.80
Total	3,157.20	874.20	7,338.50	3,656.50

Secondary Market

	Cedel $	Cedel Next	Euroclear $	Euroclear Next
Straights	2,855.00	10,254.30	11,625.60	10,481.40
Convert.	156.40	516.00	631.20	497.30
FRNs	794.80	2,021.80	3,645.50	3,005.70
ECP	2,399.30	1,788.30	2,060.80	3,445.90
Total	6,205.50	14,480.40	17,962.90	17,630.50

Source: Euroclear, Cedel.

Libor Rates — March 9

	1-month	3-month	6-month
U.S. $	8 7/16	8½	8⅝
Deutsche mark	8 1/16	8⅛	8⅜
Pound sterling	15 1/4	15 5/16	15½
French franc	10¼	10 11/16	10⅞
ECU	10½	10⅞	11 5/16
Yen	7 7/16	7 9/16	7 11/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds — March 9

Maturity	Close Bid	Close Ask	Yield	Wk-ago yield
29.02.92	99 19/32	99 21/32	8.71	8.50
15.02.93	99 6/32	99 8/32	8.68	8.49
31.12.93	96 14/32	96 16/32	8.73	8.57
15.05.95	99 8/32	99 10/32	8.66	8.51
15.01.97	96 13/32	96 15/32	8.70	8.57
15.02.00	99 2/32	99 4/32	8.64	8.55
15.02.06	104 21/32	105 3/32	8.78	8.68
15.02.20	98 20/32	98 22/32	8.63	8.56

Source: Salomon Inc.

U.S. Consumer Rates — March 9

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	n.a. %
Money Market Funds	
Donoghue's 7-Day Average	7.63 %
Bank Money Market Accounts	
Bank Rate Monitor Index	4.08 %
Home Mortgage, FHLB average	10.29 %

Source: New York Times.

WALL STREET REVIEW

Figures as of close of trading Friday, March 9.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
AmExp	133431	28¾	27⅛	28	—1⅜
PhilMr s	123463	38⅝	36⅛	37¼	+ ¾
Hilton	112560	67	49	51½	—11½
IBM	76798	107⅞	104⅛	106½	+1⅞
Bard	73700	17⅛	12⅝	13⅝	—3⅛
AT&T	71157	41⅞	39⅝	41	+ ⅝
USX	69499	37¾	34⅝	36⅛	—1
Navistr	69212	4⅝	3½	4⅝	+ ¾
GenEl	65960	63	61⅜	62⅝	+ ⅛
GnMotr	64758	46⅞	45¼	46¼	+ ⅛
BritPt	63190	67⅝	64⅝	65⅛	—1⅝
Compaq	54990	97	86⅞	95½	+6⅞
TexUtil	54721	36	34⅝	35	+ ¼
Exxon	53943	47¼	46¼	46⅝	— ⅜
NCNB	51625	46½	40⅝	41½	—4½
Texaco	47172	60⅝	58⅝	59⅝	+ ¼
EKodak	46485	40⅝	38⅝	39¾	+1⅛
Citicorp	45182	25⅝	24¼	25⅛	+ ⅛
Waste s	44487	34½	32⅝	33⅝	+1⅛
Chryslr	43816	18½	17⅛	18¼	+1⅝
BnkAm	43596	29⅝	28½	28¾	+ ⅛
McDerl	43298	27⅜	25⅝	26⅝	+1⅛
Unitel s	43251	37¼	35⅞	36½	+ ⅛
Merck	43204	70⅝	68⅝	68½	— ⅜
BrMySq	43332	54¼	52⅝	54⅛	+1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
BolrPh	63512	10	5½	8⅝	+3⅛
JanBell	44199	15	8½	9½	—5⅝
Hithov n	36382	1¼	1	1⅛	— ⅛
WangB	30892	6¼	5⅛	6⅛	+ ⅞
ENSCO	29942	4½	4⅛	4¼	
SNk 95wt	26385	6	5	5½	— ⅛
SFT 93pwt	25039	3¾	3½	3¾	
Nabors	22736	5¼	5	5⅛	— ⅛
EchoBy	22179	17	15⅝	15¾	—1½
BT Nk wt	16618	14⅝	12⅝	13½	— ⅛
SNk 93wt	15427	6¼	5¾	6	— ⅜
TexAir	14734	8⅝	7⅜	7¾	— ⅜
BAT In	13911	13¼	12⅞	13⅛	
TubMex	13252	6½	6⅛	6½	+ ⅛
Amdhl	13131	15⅝	13½	15½	+1½
Dk Nk wt	11795	7	6⅛	6⅛	— ⅛
FruitL	11503	13½	12⅞	13⅛	
DowC rt	9389	10⅝	9⅝	10½	+ ¼
MoomC	9237	5⅛	4⅝	4⅞	— ⅛
Alza	9075	41⅞	37⅝	40⅝	+2⅝
WDigitl	9005	11	10¼	11	+ ½
Withrd	8758	6¼	5⅛	5⅞	+ ⅜
Sothby s	8142	25½	21¾	25⅛	+3½
HomeSh	8097	7½	6¼	7⅛	+ ⅜
NY Tim	7660	24¾	23¾	24⅛	— ⅛

NYSE Sales

	Sales Vol.
Total for week	768,640,000
Week ago	808,170,000
Year ago	798,090,000
Two years ago	998,840,000
Jan 1 to date	7,847,055,000
1989 to date	8,037,490,000
1988 to date	8,991,120,000

AMEX Sales

	Sales Vol.
Total for week	76,140,000
Week ago	85,830,000
Year ago	65,270,000
Jan 1 to date	697,300,000
1989 to date	543,140,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1124	451
Declined	729	1413
Unchanged	311	284
Total Issues	2164	2148
New Highs	95	34
New Lows	76	188

AMEX Diaries

	This Wk	Last Wk
Advanced	485	257
Declined	313	508
Unchanged	194	203
Total Issues	992	968
New Highs	47	28
New Lows	52	68

FIRST CONVERTIBLE SECURITIES FUND
Societe d'Investissement a Capital Variable
2, Boulevard Royal - LUXEMBOURG
R.C. LUXEMBOURG B-24461

NOTICE

The Board of Directors informs the shareholders that a Merger Proposal (the "Merger Proposal") has been agreed as of 16th January, 1990 between FIRST CONVERTIBLE SECURITIES FUND (the "SICAV") and MERRILL LYNCH MULTINATIONAL INVESTMENT PORTFOLIOS-EQUITY/CONVERTIBLE SERIES (the "Fund").
The Fund shall comprise shares of category A and of category B of various classes corresponding each to a separate portfolio of assets, among which a class denominated "Convertible Securities Portfolio" with substantially the same investment objective and policies as those of the SICAV, as described in the Prospectus of the Fund, dated January, 1990.
Shares of each class are offered with two sales charge alternatives. Category A shares are subject to a sales charge ("dealer mark-up") payable at the time of investment. Category B shares are not subject to any dealer mark-up but are subject to a distribution fee assessed on these shares on a continuing basis with a contingent deferred sales charge normally assessed if the shares are redeemed within four years of issue.
The Merger Proposal provides for the exchange one by one of the shares in the SICAV against category A shares in the class "Convertible Securities Portfolio" of the Fund on an Effective Date which is anticipated to be on 9th March, 1990 subject to the extraordinary general meeting of shareholders of the Fund and the SICAV to be held on 1st March and 9th March, 1990, respectively, approving the Merger Proposal.
During the period from 13th March, 1990 to 13th April, 1990, any share certificate issued by the SICAV may be tendered for exchange, at no cost, at BANQUE INTERNATIONALE A LUXEMBOURG, 2 Boulevard Royal, Luxembourg, against share certificates of the relevant category and class of the Fund.
After 13th April, 1990, share certificates of the SICAV will no more be of good delivery on the Luxembourg Stock Exchange.
The Prospectus of the Fund is available at the registered office of the Fund at 2, Boulevard Royal, Luxembourg.

The Board of Directors

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WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Slightly lower yields on fixed-income securities and satisfactory company results pushed Amsterdam's CBS all-share index up to 192.60 at the end of the week, against 188.7 the previous Friday.

Analysts said there had been no fundamental changes, and volume remained low. Turnover was only 6.7 billion guilders, of which 2.9 billion was in equities. The previous week's volume was 6 billion guilders, with 2.6 billion in equities.

Frankfurt

Optimism prevailed over uncertainty regarding German monetary union, sending stock prices higher, brokers said.

The DAX index jumped 40.51 points on the week to close at 1,858.74 Friday, while the Commerzbank index gained 77 points to 2,269.

Investors were reassured by publication of positive economic data, such as a slight slowdown in the inflation rate, to an annualized 2.6 percent in February from 2.7 percent in January.

Volume on West Germany's eight stock exchanges totaled 39.04 billion Deutsche marks, well up from 29.13 billion the previous week.

Gains were registered across the board, with the sharpest rises in capital goods as West German companies rush in to help revive the East German economy.

KHD gained 24.50 DM to 278, Linde 29 to 894 and Mannesmann 17.50 to 363.50. Daimler-Benz also rose sharply on news of discussions with Mitsubishi of Japan, advancing 22.50 DM to 897.50.

Hong Kong

Share prices fell on lack of trading incentives and a discouraging report on last year's economic growth rate. The Hang Seng Index dropped 25.26 points, or 0.86 percent, on the week to close at 2,912.67 on Friday.

Average daily turnover dropped to 933.29 million Hong Kong dollars from the previous week's 1.05 billion.

Dealers said most investors adopted a wait-and-see attitude during the week. The government's budget presentation on Wednesday painted a gloomy picture of the economy, with last year's growth rate falling to 2.5 percent, less than half the official forecast of 6 percent.

London

The market had an uneasy week as political factors provoked a loss of investor confidence both at home and abroad.

Mounting voter opposition to the new poll tax, to take effect from April, and speculation of a move within the Conservative Party to oust Prime Minister Margaret Thatcher, had a particularly depressing effect on sterling and thus on government securities.

But equities also took a knock, despite repeated attempts to rally on the back of a string of encouraging company results. The FTSE 100-share index ended the week down 20.5 points at 2,234.3.

Trading volume remained very thin, and though several brokers pointed to an upturn in economic activity in 1991 and an improvement in share prices later this year, speculation continued that several big securities houses are in difficulty as a result of the downturn in business.

Milan

The market had a generally positive week, analysts said, despite some irregularity in share prices and a drop in weekly volume.

The MIB index rose from 960 to 970 on the week, a gain of 1.04 percent, while the Comit indicator improved by 0.98 percent, from 659.79 to 666.25. About 80 million shares changed hands a day on average, worth 140 billion lire.

Among leading issues, Fiat rose by 2.60 percent on the week, Pirelli SpA by 3.49 percent, STET by 2.78 and Comit by 2.99.

Paris

The Bourse scored a weekly gain for the second time in a row, with prices up by about 3 percent. This was particularly due to the French economy's strong performance, analysts said. Recent rises have helped overcome the sharp losses of the year's first few weeks.

Analysts say a drop in French interest rates is likely, a development presaged last week as the call-money rate dipped below 10 percent.

Singapore

Release of a favorable government budget report did not help the market; attention remained focused on the Tokyo market and the yen's weakness.

While institutional investors stayed on the sidelines, speculative buying and bargain-hunting by smaller investors boosted the Straits Times industrial index by 34.71 points, to close the week at 1,586.18. On the broader market, the SES all-Singapore index picked up 3.30 points to finish at 432.76.

Tokyo

Prices finished lower on the week, after extremely volatile trading.

The Nikkei average closed at 33,993.12 on Friday, off 64.44 for the week, following the previous week's hefty 833.41-point loss.

The Tokyo Stock Price Index of all common stocks on the market's first section shed 2.08 points to wind up at 2,539.89, after a 12.34-point decline the preceding week.

Average daily turnover also fell from the previous week's 592.6 million shares, to 539.1 million shares.

Trading was erratic throughout the week, with the Nikkei losing 695.22 points in the first three days of trading. The weaker yen, coupled with lower bond prices and arbitrage selling between stock and stock-index futures, weighed heavily on investors' minds, analysts said.

Zurich

The market managed a 1.2 percent gain in light trading, with high interest rates still keeping many investors away from stocks, operators said.

The Swiss perfrmance index finished at 1,109.8, against 1,096.7 the previous Friday. The Crédit Suisse index closed at 608.4 against 600.2, while the Swiss Bank Corp. indicator ended at 644.5, against 636.7.

The week's only exciting performer was Immuno, an Austrian pharmaceuticals firm that announced it had successfuly tested an anti-AIDS vaccine on a chimpanzee. Its stock surged 680 francs, or 18 percent, on Wednesday alone.

Hooker Sells Bonwit Units To Pyramid

By Isadore Barmash

New York Times Service

NEW YORK — An agreement by Pyramid Cos. to buy five Bonwit Teller stores is likely to ensure the survival of one of the oldest U.S. retailers at a time when a number of other famous chains have vanished.

The purchase of the stores, including the retail chain's flagship in Trump Tower in Manhattan, was announced late Friday. Terms of the deal were not disclosed, although Pyramid, a real estate development and investment concern based in Syracuse, New York, said it will pay cash.

Retailing executives said that the proposed sale by L.J. Hooker Corp., which must be approved by a U.S. Bankruptcy Court judge, indicated that the Bonwit name still has enough luster to be used on anchor stores in future malls.

The chain had come under a cloud since Hooker, the American arm of Hooker Corp. of Australia, filed for protection from its creditors last August.

Six of the seven stores of B. Altman & Co., another venerable New York-based retail chain owned by Hooker, were liquidated in January after the chain failed to draw acceptable bids.

The other Bonwit stores that Pyramid intends to buy are those in Boston, Buffalo, Manhasset, New York and Short Hills, New Jersey.

Two others will continue to operate in Hooker-owned shopping centers in Cincinnati and Columbia, South Carolina. Hooker said that it would try to sell the remaining nine stores.

Kuala Lumpur's Paper Chase

Exchange Strives To Solve Problem Of Missing Scrip

Reuters

KUALA LUMPUR — Confidence in the Kuala Lumpur Stock Exchange, which rallied strongly in the past two months, has taken a knock as the exchange struggles to overcome the problem of missing share scrip, analysts say.

Analysts said that the problem has forced many investors to the sidelines. The exchange has remained silent on the extent of missing scrip, but financial experts estimate its value at about 200 million ringgit ($74 million).

"People are just adopting a wait-and-see attitude," said Lee See Kwan of W.I. Carr (Far East) Ltd. "It has not reached crisis stage, but the problem is serious enough."

Daily turnover on the exchange hit a high of 213.44 million shares valued at 453.508 million ringgit on Feb. 6, but has since slid to 41.974 million shares valued at 108.06 million ringgit last Thursday.

On Friday, the composite index closed at 606.94, up from 603.92.

Analysts said while the recent decline was due partly to uncertainty on the direction of the much-watched Tokyo market, the problem of missing scrip had largely dampened local trading interest.

Mr. Lee said foreign funds had helped cushioned the fall when local players withdrew. "If foreigners did not buy, the market would have collapsed," he said.

Patrick Lim, president of the Malaysian Investors Association, said, "People are cautious because they don't want to take the risk of buying and not getting their scrip."

Under the exchange's regulations, investors can only sell their shares if they have the scrip in hand. Mr. Lim said that without the scrip, those who paid for the shares would not be able to subscribe to rights and bonus issues.

They also would not get dividends, which most companies on the exchange announce in March along with their annual results.

"I anticipate a lot of legal suits by people who will lose out simply because they have not got their scrip," Mr. Lim added.

Analysts said that while any lawsuits would be between the brokers and their clients, the onus would ultimately fall on the exchange's Securities Clearing Automated Network System, or SCANS, which has been blamed for delivering scrip to the wrong broking firms.

Authorities are silent on the extent of missing scrip, but experts estimate its value at about $74 million.

As one analyst said, "SCANS must accept responsibility."

The missing scrip is believed to be in the hands of brokers who have ignored appeals by the exchange that the scrip be returned to the SCANS for delivery to its rightful owners.

One step the exchange could take, analysts said, would be to get brokers to accept so-called "contra" deals. In such a deal, investors buy and sell the same shares fast for a quick profit without taking delivery or paying fully for them.

Karim Tahir, president of the Remisiers Association of Malaysia, said: "We have been saying all along that contra deals should be allowed to get investors back into the game. It provides the speculative element the market needs."

Another interim measure would be for SCANS to buy shares in the open market to replace the missing scrip. One analyst said, "This would appease the investors, who will get their scrip."

The problem has also spread to Singapore, where contracts traded on the over-the-counter market have been affected by the nondelivery of scrip from Malaysian brokers, analysts said.

On Friday, Singapore stockbroker Ong & Co. announced that it was suspending purchases of all but 16 of the total 134 Malaysian stocks traded on the CLOB International market. Dealers attributed the move to the problem of missing scrip on the Kuala Lumpur exchange.

Meanwhile, analysts speculated that the Malaysian government would step in if the Kuala Lumpur exchange could not solve the problem soon.

Mr. Lim said: "With a general election looming, the government will not allow the market to collapse. If it looks imminent, government-owned institutions will be asked to support the market."

But analysts said that such intervention would carry a price, including a possible reorganization of the exchange for failing to solve the problem promptly.

The Kuala Lumpur exchange has called for a special audit of all local stockbroking firms.

Amex FT Warrants Unlikely to Match Gains of Nikkei Puts

Reuters

NEW YORK — Put warrants on the Financial Times-Stock Exchange 100-Share Index, launched by the American Stock Exchange last week, may have a hard time duplicating the success of put warrants on the Nikkei-225 average, according to analysts.

The four Nikkei put warrants traded more than 67 million warrants, or about 11 percent of Amex volume, this year. Despite encouraging volumes in the first three days of the FTSE put warrants, analysts said much effort will be needed to attract U.S. investors to bet on the British market.

"There's not the same level of interest," said Tom Hart, vice president of corporate securities at PaineWebber Inc. "The Financial Times Index is just not as well known as Nikkei."

The put warrants gives investors to right to sell to the issuer the value of the underlying securities. The put price rises when the index of the foreign market falls.

Michael Schwartz, a senior vice president of options trading at Oppenheimer & Co., noted that the Nikkei index warrants provided a timely vehicle for U.S. investors to speculate on declines in the Japanese market.

"It was launched at a time when many people expected the Japanese market to fall, and it did," he said. "But the FTSE is a smaller market index, and the options on the index are also traded in Europe."

Gary Gastineau, a vice president with Salomon Inc., which underwrote two Nikkei put warrants and the FTSE warrant, argued that the existence of the Financial Times index options market in Europe should provide an added dimension for arbitrage trading.

Unlike the Nikkei warrants, which are traded during hours when the Tokyo market is closed, trading in FTSE put warrants and the underlying cash and the options market will overlap by one-and-a-half hours, which could stimulate three-way arbitrage, Mr. Gastineau said.

Institutions have been the biggest users of the FTSE index from the outset, while the Nikkei put warrants have been more retail dominated, said Ivers Riley, senior vice president at the American Stock Exchange.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, March 9.

Option & price		Calls Mar	Calls Apr	Puts Mar	Puts Apr
[illegible]					

Total volume 421,724
Open interest 4,609,292
r—Not traded. s—None offered. o—Old.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, March 9.

(Continued)

	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]					

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, March 9.

Option & price		Calls Mar	Calls Apr	Puts Mar	Puts Apr
[illegible]					

Total volume 149,411
Open interest 2,702,433
r—Not traded. s—None offered. o—Old.

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A Monthly Report for the International Investor — Herald Tribune INTERNATIONAL — *Monday, March 12, 1990*

Personal Investing

FOCUS

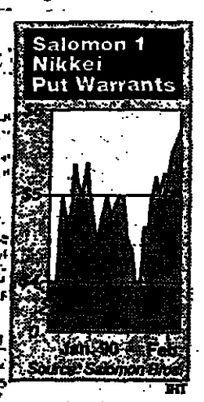
Bears Cash In On Tokyo's Fall

AS IF piqued by the Tokyo Stock Exchange's seeming ability to defy gravity, foreigners had been predicting its imminent collapse for several years. In February, they were finally right. So far this year, the Nikkei 225 index of Japanese stocks has fallen about 15 percent.

Some investors who backed up their opinions with cash earned more than just the right to say, "I told you so." These were the lucky purchasers of a new breed of warrants that debuted in timely fashion in January and early February on the American Stock Exchange.

Borrowing from the language of options trading, these four warrant issues are called "puts" on the movement of the Nikkei stock average. In options trading, a "put" contract gains in value when the underlying commodity or security falls in price. Likewise, these warrants represent bets on a decline in the Tokyo market.

And when Tokyo crumbled, the bets paid off handsomely. Salomon's first Nikkei put warrant, issued Jan. 17 at $3.54 each, surged to $5.25 by the end of February, a tidy gain of 48 percent in six weeks. Similarly substantial gains were recorded by Nikkei put warrants issued by Bankers Trust and the Kingdom of Denmark.



THE warrants have been big hits with individual investors, brokers report. While institutional investors have ready access to listed index futures and options, few individuals have the financial resources, time or sophistication to play in that league. The American Stock Exchange warrants, though, require a minimum investment of only $1,200 to $1,500 (not including commissions). Trading volume in these popular warrants has sometimes exceeded one million a day. The warrants are similar in structure. They give the holder the right to convert them to cash anytime before expiration — typically in three years — for an amount pegged inversely to the level of the Nikkei index. For the warrant to have any value, the Nikkei must be below its level on the date of the warrant's issue.

The Salomon Jan. 17 issue, for example, has no cash value unless the Nikkei is beneath 36,821.14. (On March 6, the Nikkei stood at 33,791.08, placing the warrant clearly "in the money," as options traders say.)

An important point to keep in mind is that these warrants do not move in lockstep with the Nikkei. On a couple of occasions, investors who were particularly bearish on Tokyo's near-term prospects actually bid up the warrant prices even though the Nikkei was rising. And when the Nikkei subsequently fell for a session, warrant prices hardly budged, having already taken into account the possibility of a drop.

"They are clearly part of the 24-hour market system," notes Gary Gastineau, a vice president of Salomon Brothers. "They can lead the Tokyo market as well as follow its close." Issuers of these warrants can stand ready to redeem them in cash no matter what happens to the Tokyo market because they have hedged their liabilities in the futures and options markets. In theory, then, there is little risk that investors would not be able to exchange the warrants for the cash they may be due.

But the issuers have been careful to leave themselves an out in the event of "extraordinary events." The prospectuses variously define such an event as a "natural calamity" or a suspension of trading in Japanese shares. In such cases, issuers may delay the exercise of the warrants or invoke new calculation formulas that would reduce the value of the warrants. The rule is, as always, to read the fine print. □

Vivian Lewis

The Crowded Field in East European Plays

A spate of closed-end fund entries has encountered some investor skepticism.

By Judith Rehak

U.S. BANKERS working on a joint venture in Hungary recently discovered that there were no words for "cash flow" in Hungarian. It was yet another reminder that, while the long-term prospects for a "Greater Europe" are promising, there are major hurdles to overcome before the former Communist nations to the East are integrated in the West's system.

After an initial rush of euphoria about the opening of Eastern Europe, investors are showing evidence of caution. One sign: A flood of new closed-end funds whose strategies call for them to invest part of their assets either directly or indirectly in Eastern Europe are no longer commanding the high prices they were only weeks ago.

In some cases, the prices on these funds, whose shares fluctuate with investor demand, have fallen substantially, putting them closer to the value of their underlying assets. And some closed-end specialists say patient investors will be rewarded with even better bargains later. The prices of some funds could fall substantially below their net asset values, they believe.

"We're looking forward to the day when we can buy these funds at 20-percent discounts" to their net asset values, says George Foot, a partner in Newgate Management Associates, specialists in international closed-end funds.

Some of the funds' problems could be simply oversupply. As many as 25 closed-end funds touted as at least partial plays on Eastern Europe have been launched in London and New York in the last six months.

But there are other considerations. Some investors worry that the European stocks these funds have targeted as indirect plays on the East are too pricey. Moreover, means of direct investment in Eastern Europe remain few and highly risky.

Such concerns have cooled investor enthusiasm. Premiums on closed-end vehicles like the New York Stock Exchange-traded Austria Fund Inc., prized because of Austrian companies' close links with Hungary, have faded. Another new offering, Scudder New Europe, dipped below its offering price shortly after issue.

This new breed of European funds generally takes a two-pronged approach to bets on the East. On one hand, they plan to buy the shares of Western companies that are deemed to have good prospects for doing business in Eastern Europe. On the other hand, they have a mandate to invest directly in these areas through joint ventures or participations in other funds that are arranging such deals. Some funds try to broaden their strategy by allocating assets to smaller companies and to developing markets such as Portugal or Greece.

An example of the sometimes confusing array of new European funds is the trio of U.S.-listed closed-end portfolios guided by Deutsche Bank's portfolio management group — the Germany Fund, the New Germany Fund, and the Future Germany Fund.

The high-flying Germany Fund concentrates on big West German companies and owes much of its spectacular 157-percent run-up in price during 1989 to the expectations raised by the fall of the Berlin Wall. But the New Germany Fund's mandate will direct at least 65 percent of its assets toward small and medium-sized West German companies benefiting from economic changes in East Germany and other East European countries. It will also have the option of investing up to 20 percent in companies elsewhere in Western Europe, and up to 15-percent in "special situations" in East Germany, such as joint ventures.

The portfolio of the newest arrival, the Future Germany Fund, will be exclusively German. At least 75 percent of its assets will be invested in West German companies. It will able to invest a small portion of its assets in equities of companies domiciled in East Germany.

Yet another entry is the Emerging Germany Fund from Dresdner Bank. Most of the fund's assets will be invested in medium and small-sized West German

Continued on page 14

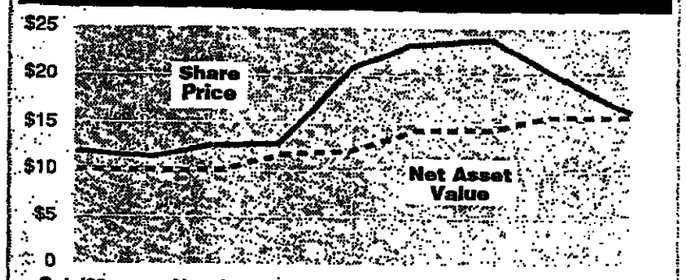
A Flood of European Funds

Recent or planned launches of closed-end funds whose strategies include investment in plays on Eastern European changes.

Fund	Exchange
Austria Fund	New York
Central European Equity Fund	New York
Central European Trust	London
Deutsche Emerging Germany Fund	New York
European Investment Trust	London
Future Germany Fund	New York
German Investment Fund	New York
German Investment Trust	London
Greater Europe Fund	New York
Hungarian Investment Co.	London
MAI Europe Trust	London
Mid Europe Fund	London
New Germany Fund	New York
Scudder New Europe Fund	New York

International Herald Tribune

Austria Fund Inc.



International Herald Tribune

The Austria Fund was among the closed-end country funds that saw its share price fall more in line with its net asset value in February.

George Foot, right, of Newgate Associates says investors may be able to pick up some of the new European closed-end funds at a discount. The large number of new offerings caused a softening in prices.

Shifting Gears on Junk Bond Funds

They are buying less junk and 'better' junk.

By Doreen Mangan

New York

FEW investors need to be told further details of the junk bond market's demise, with its tales of unraveled deals and bankruptcies. Indeed, returns on junk bond funds bear ample witness to the market's problems. In the fourth quarter of 1989, the average performance of U.S. junk bond funds was a negative 4.32 percent, according to Lipper Analytical Services.

With the junk bond market so badly beaten down, some observers reason that now is a good time for investors who had sidestepped these funds in the past to reconsider. The fall in bond prices has brought yields on junk bonds to enticingly high levels.

But before committing themselves, investors should take a close look at the shifts in strategies at many of the junk bond funds. With managers in a decidedly defensive stance, many junk bond portfolios now have a far smaller percentage of junk. And portfolio managers are being much more selective in their purchases, with many beefing up expensive research efforts.

But there is a price to pay. These changes may make the funds less vulnerable to further setbacks. But they also could mean that these funds will not be fast-track performers during a market recovery. In effect, the changes hinder the funds' ability to generate substantially higher returns than conventional bond or stock funds, a major reason that investors take on the higher risk of junk in the first place.

"It makes sense as a reaction," Michael A. Lipper, president of Lipper Analytical, says of the funds' more conservative approach. But he also observed that the shift in strategies "could be counterproductive." He said, "At some point, the lower quality part of the spectrum could do all right."

The changes in T. Rowe Price's High Yield Bond Fund are typical of the industry. The management has been weeding out bonds rated B minus and triple-C. (Rating agencies classify bonds according to their creditworthiness, with triple-A the highest rating.) Two-thirds of the fund's bonds now carry ratings of B or better.

Moreover, the fund has concentrated on "very large liquid deals," the more marketable junk issues of well-known companies such as Kroger Corp. and Colt Industries, says Jay Van Ert, an assistant vice president at T. Rowe Price and an analyst for the fund. Not surprisingly, the possibility that the fund will see more holders redeeming shares forces the management to keep a big chunk of its assets in U.S. Treasury securities, which holds down the average yields on the portfolio's holdings. Mr. Van Ert put this Treasury portion of the fund in the "high end" of the industry range of 10 to 15 percent of assets.

T. Rowe Price has also beefed up its research effort, increasing the number of analysts to six from four last year. "A lot more money is being spent on research in this area to increase efficiencies and remain competitive," said Mr. Van Ert.

Few could blame the funds for taking a more cautious approach. The turmoil in the market could be far from over. In a market valued at a total $300 billion, there will be at least $40 billion in junk bond defaults over the next three years, according to the Bond Investor's Association Inc. Investors can expect about $15 billion in defaults this year alone, says Richard Lehmann, president of the non-profit group in Miami Lakes, Florida.

But these figures do not necessarily mean that junk bonds will be poor performers in the months ahead. Some analysts believe that junk bond prices have already fallen to the point that they reflect even the more dire default forecasts.

Much depends on the economy's strength. Junk bonds, by definition, are issued by companies with little in the way of asset backing and a voracious need for cash flow to pay their creditors. They do not tend to be the kinds of companies that can ride out recessions.

While now "may not be a bad time" to invest in junk bond funds, Mr. Lipper notes that their prospects "depend on the nature of the next recession." An ordinary recession may not pose much risk to these funds, he said, but a prolonged, deep one would spell disaster.

Before wading in, investors should think through the basics of these funds and how they fit into a portfolio. John Markese, research director of the American Association of Individual Investors, believes most people have an erroneous view of these funds as souped-up versions of conventional bond funds.

In reality, junk bonds behave more like stocks than bonds. Like stocks, a junk bond's value is closely linked to the day-to-day fortunes of the issuing compa-

Continued on page 14

Top Junk Bond Funds

Fund	% Total 1989 Ret.
Colonial Income Plus	12.86
MidAmerica High Yield Fund	12.28
Equitec Seibel High Yield	10.64
FBL Series High Yield Bond	10.02
Skyline Monthly Income	8.44

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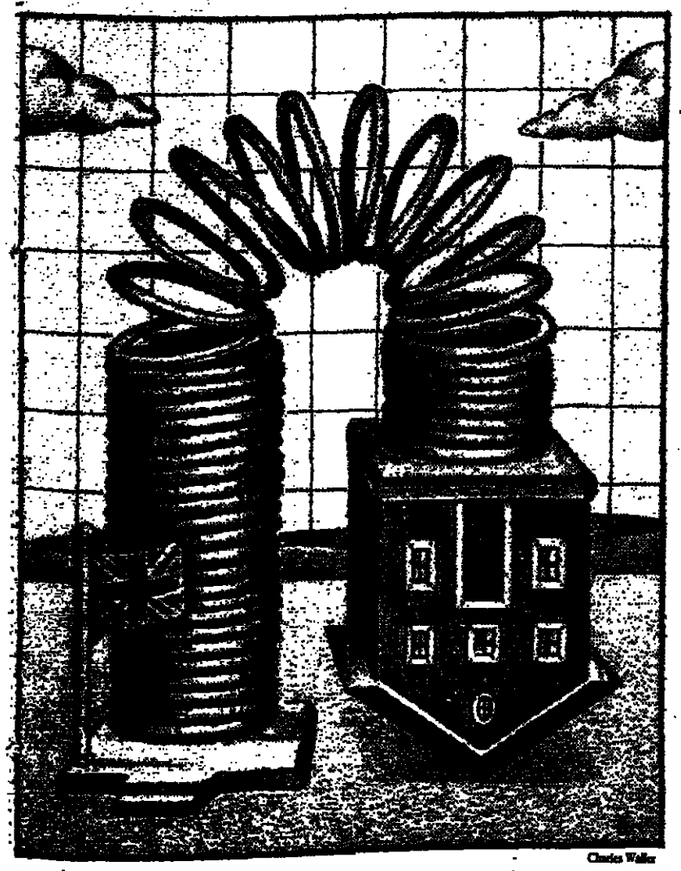
REAL ESTATE

London Developers Battle for Buyers With Sweetened Deals



Charles Walker

By Nigel Adam

London

FOR sellers of London residential property, the news from the economic front remains depressing. High interest rates look likely to persist for most of the year, say economists, and a glut of new housing still weighs on the market.

Last month, key lenders raised their mortgage rates to well over 15 percent, their highest levels since October 1981. Some followers of the property market forecast further falls in prices in 1990 after last year's 10-percent to 15-percent decline. Sales throughout the capital are running at less than 50 percent of 1988 levels.

"Historically, the market tends to peak for about 18 months before moving into a trough for two years or more, says Adam Murza, an analyst at London brokers Smith New Court. The most recent peak lasted around three years, he notes, so the current depression may also persist for a long while.

While that is a depressing prospect for owners and sellers of residential property, buyers are being courted in ways scarcely imaginable only 18 months ago.

A sign of the competitive scramble to sell even upscale residences is the partial payment plans offered by many developers. Purchasers pay half the price of the house now and the balance in five years. That keeps the initial mortgage small enough to attract a wider range of buyers.

The developer Rosehaugh offered half-payment plan last month on 24 new houses in Highgate, close to the open space of Hampstead Heath in North London. Four- and five-bedroom detached homes range from £625,000 to £1.3 million, requiring a minimum stake of £330,000.

But Mr. Rosehaugh offered even steeper concessions to buyers of new apartments on the south side of the Thames, near Tower Bridge. In addition to partial payment, purchasers were guaranteed that the developer would buy back the apartments in three years for 30-percent more than the initial sales price.

"That offer certainly looks attractive," says Mr. Murza at Smith New Court. "I'd be very surprised if central London prices generally increase 30 percent over the next three years."

Such pessimism is grounded in figures showing a substantial glut of available residences, especially those built during the boom times of the mid-1980s. In the briefly fashionable Docklands, near the City's financial district, a two-bedroom apartment on a prime site in this new development would be sold for around £250,000 at the market's peak in the summer of 1988. Now, it would fetch barely half that.

"Oversupply was already evident in the autumn of 1988," says George Pope at London estate agent, John D Wood. "It has simply exacerbated the problem."

Adding to the market's doldrums is political uncertainty. A year ago, defeat for Prime Minister Margaret Thatcher at the next election seemed impossible. Now, the political handicappers say the odds against the Conservative Party are lengthening. (A general election must be held by June, 1992, at the latest). This may deter foreign buyers who would otherwise be attracted by these lower price levels.

"Until recently, there was considerable foreign interest in central London property after sterling's fall last year," says Tapan Datta, an economist at American Express Bank. In particular, Mr. Datta cites buying from Hong Kong citizens anxious to shield their investments from present and future uncertainty due to China's takeover of the colony in 1997.

Prospects of an election victory by the Labor Party could hurt the real estate market because the party has pledged to reintroduce some form of property tax. Next month, the the property tax, referred to in Britain as rates, is to be replaced by a community charge, levied not on property but on individuals.

"In theory, the abolition of rates might be expected to boost property prices by, say, 10 percent," says Peter Goodwin at the London Research Center. "While the income effect of both taxes is the same, the community charge is not tied to property."

Although arguments in favor of rising prices are hard to find, investors can draw some comfort from longer-term forecasts. These point, almost unanimously, to a renewed upturn in the early to mid 1990s.

Demographic trends favor an increase in demand, especially for smaller houses, according to a study in the most recent Amex Bank Review. There is still, it concludes, a large well of demand.

Real estate agents are quick to note that houses in the most desirable parts of London have kept their value during the past year. John D. Wood's Mr. Pope cites a four-bedroom-plus house in Glebe Place, Chelsea, that recently sold for over £900,000 compared with an asking price of £825,000 a year ago.

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The Sea Changes In Asian Markets

By Patrick L. Smith

Tokyo

AT THE early age of 30, Marshall Auerback already qualifies as a veteran of the tumultuous Asian investment scene. While a portfolio manager for GT Management (Asia) Ltd. in Hong Kong, he earned his stripes as an advance scout in cities like Bangkok and Manila, whose stock markets came to symbolize the region's investment boom.

Now managing five Japan and Far Eastern funds in GT's Tokyo office, Mr. Auerback is keenly aware that Asian markets and those who once commanded them are going through a sea change of sorts, the region's version of the same wheat-from-chaff, men-from-boys division so apparent in New York these days. The days of easy returns are over.

"The areas I cover have fundamentally changed since the mid-to-late 1980s," Mr. Auerback said in his Kasumigaseki office the other day. "These are stock pickers' markets now. You need a much better sense of what constitutes a good company, and you need to combine that with a bit of solid macro-economic analysis."

Mr. Auerback seems to have made the adjustment without much difficulty. In the 12 months ended Jan. 31, his principal portfolio, the £30 million GT Far East and General Fund, finished fourth of 59 British-authorized unit trusts invested in Asia, including Japan. With a gain of just under 60 percent, the fund narrowly missed doubling the average performance of funds in its category.

No visitor to Southeast Asia in the years of the emerging-markets craze can blame Mr. Auerback for his nostalgia for the frontier atmosphere of cities such as Bangkok. Even up to 1987, you could walk into the Stock Exchange of Thailand in the early afternoon to find it cool, dark and entirely empty.

These markets were effectively Mr. Auerback's first exposure to portfolio management. After earning a degree from Queens University in Ontario in 1981 and a law degree at Oxford two years later, he moved to Hong Kong in 1985 following a brief stint in GT's London office.

He was credited almost immediately with putting Bangkok on the map for international investors. When he took over Southeast Asia investments, GT had $10 million to $15 million invested in Bangkok Bank, Siam Cement and one or two other predictable Thai stocks. By the time he transferred to Tokyo, his funds had 10 times that amount riding on 15 to 20 issues.

The results of such aggressive investing in the region's small markets were impressive. The GT Asian Fund under Mr. Auerback grew 88 percent from 1985 to end-1987 and the South China Fund (now the Hong Kong Fund) was up 77 percent. These figures include the sharp dips both funds suffered in the calamity of October 1987.

But what brought Mr. Auerback to East Asia, he believes, was a confluence of events unlikely to be repeated. U.S. demand for goods was growing at twice the global rate, creating a burgeoning market for Asian companies. The dollar was dropping, and the yen's rise was generating huge capital flows into Japan.

The East Asian economies will continue to produce respectable returns for investors, Mr. Auerback believes. But the days are largely gone, he says, when an investor could find a stock trading at five times its annual earnings and still paying a dividend equal to an 8-percent annual yield.

"It was almost a 'no-brains'-decision to go into those markets, because everything was going up, the good and the bad," Mr. Auerback recalls. "But the bulk of the re-rating has already occurred. I liken investors going in now to people coming in on the fourth course of a five-course meal."

Moving to Tokyo has been a rounding-out process for Mr. Auerback. "Seeing capital flow at the source fills in the Asian puzzle," he says, acknowledging Japan's role as the prime financial mover in the region. But he arrived in Tokyo in time to catch another fundamental shift.

The huge buildup of surplus cash in the later half of the 1980s created yet another easy-money game that created virtual one-way bets on Japanese blue-chips. But February's downturn signaled the end of those heady days.

"The huge inflows of money from 1985 to end-1988 meant that you plopped funds into very liquid stocks and easily outperformed time deposits, if that was your objective," Mr. Auerback says. "Smaller growth companies were de-rated, despite their often-superior growth prospects."

Not surprisingly, Mr. Auerback's strategy has been to concentrate on just those stocks that are underrepresented in the Nikkei average, which is why he easily outperformed the market last year. Given Japan's current uncertainties, however, he has recently reduced Far East and General's Tokyo exposure from 75 percent to 50 percent while keeping most of his smaller growth stocks.

Sankei, a specialist in air-conditioning systems for office buildings, is the kind of stock that Mr. Auerbach is holding on to. He purchased the shares last year when they were trading at 28 times their forecast earnings. Sankei has since moved up 80 percent, but its price-earnings ratio is still below the market's average. Followers of the company expect it to report a doubling of earnings in the year ending in March.

When it comes to the international view, Mr. Auerback does not like to spread his bets too thin. Too many funds overdiversify, he believes, and pay for it in average-to-below-average performance. Asked to come up with a model "Auerback Global Fund," he steers clear of Asia's trendiest small markets. Instead, he would put 25 percent in West Germany and 10 percent elsewhere in Europe, mostly France. Twenty percent would go into Japanese growth stocks, while the U.S. market would command only 15 percent. Hong Kong, Australia-New Zealand and Latin America each merit 10 percent.

"If you're going to take a punchy hit on a country," he says with a veteran's firmness, "make it a minimum of 10 percent, or don't go in at all."

Patrick L. Smith

Marshall Auerback in GT's Tokyo office.

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A Flood Of Funds In Europe

Continued from page 13

companies, with up to 20-percent earmarked for companies in East Germany and 10-percent in other East European countries.

Skeptics say a number of situations may hinder the success of these strategies. The share prices of the big companies whose prospects in Eastern Europe are good have already been bid up to pricey levels. Moreover, investors have grown cautious that the huge capital needs of Eastern Europe will force interest rates higher, having a negative effect on stock markets.

The ability of these funds to take stakes in East European companies will be severely restricted for some time because of those countries' lack of capital markets. "The possibility of portfolio managers rushing into exchanges in Prague and Budapest to buy shares via Western methods soon is remote," says James Mellon of Tyndall Holdings.

And the few opportunities for direct plays, such as the handful of Hungarian companies listed on the Austrian exchange, have been quickly bid up to formidable prices. A recent offering of Skala, Hungary's largest consumer-good trader, was oversubscribed by 40 percent.

A few funds have been set up to undertake what is, in effect, venture capital investments in Eastern Europe. While investment companies such as Emerging Eastern Europe, a Tyndall-administered fund, and the First Hungary Fund are not open to the average individual investor, stakes in these portfolios are often purchased by other funds. The Austria Fund has placed about 2.5 percent of its assets in First Hungary, while London-listed European Investment Project Trust, a Tyndall fund, will take a stake in its sister portfolio, Emerging Eastern Europe.

But these venture-like funds have yet to complete major deals in Eastern Europe. And some institutional investors, while acknowledging the long-term attractions of Eastern Europe, say these early investments are simply too risky.

"We're not going 'hell for leather' into these countries," says Peter Moon, investment manager at British Airways Pension Fund, considered one of the more innovative U.K. institutional investors. "We see all these economies going through a lot of pain, and we'll let others take the strain."

For investors determined to make an East European bet, Mr. Foot of Newgate cites the Hungarian Investment Co., launched last month by the John Govett fund management group. The fund was originally placed with institutional investors willing to put up a minimum of $50,000. But the managers plan to list the shares on the London stock exchange at about $100 each. Moreover, investors will be able to purchase warrants on the fund shares. □

February Market Scoreboard

Best Performers

	Price Feb. 28	Percent Change
New York Stock Exchange:		
West Point-Pepperell	41.00	+42.6
McClatchy Newspapers A	26.00	+35.1
Anthem Electronics	23.38	+34.5
Monarch Capital	17.13	+34.4
Desoto Inc.	39.00	+33.3
CUC International Inc.	16.25	+32.7
Xtra Corp.	31.38	+28.7
Cabletron Systems	10.88	+28.0
Hudson Foods A	12.38	+27.0
Cypress Semiconductor	11.38	+26.4
American Stock Exchange:		
Lazare Kaplan Int'l.	14.25	+51.9
Seitel Inc.	11.13	+41.2
Binks Manufacturing	45.13	+37.3
Shaer Shoe Corp.	12.75	+35.9
Leo's Industries	14.75	+34.1
Psc Israel Economic Co.	+12.5	12.00
Over the Counter:		
Basic Petroleum Int'l.	10.38	+53.8
Kentucky Medical Ins. A	24.25	+42.6
Emcon Associations	15.75	+37.0
Agency Rent-A-Car	13.63	+36.3
Builders Transport	12.75	+34.2

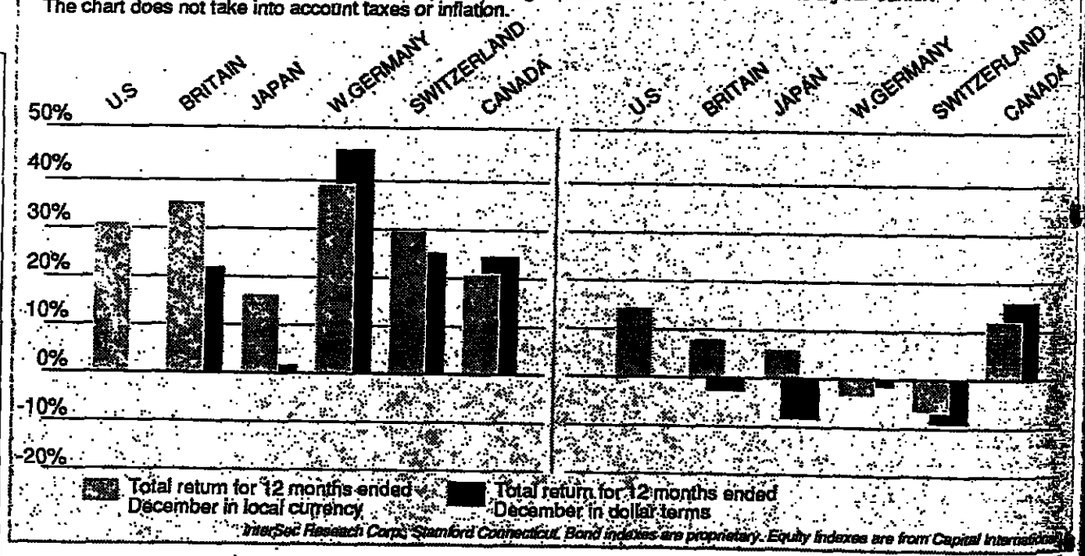
Worst Performers

	Price Feb. 28	Percent Change
Austria Fund	15.88	−33.1
Taiwan Fund	26.88	−30.0
Malaysia Fund	16.88	−27.4
Germany Fund	16.88	−26.2
New Germany Fund	17.00	−25.7
Thai Fund	25.25	−25.5
Italy Fund	13.13	−25.0
Interlan Inc.	38.25	−22.9
KLM Royal Dutch	17.75	−21.8
News Corp.	14.88	−21.2
Barnwell Industries	24.75	−25.4
First Iberian Fund	12.88	−21.6
Jones Intercable	10.75	−21.1
Echo Bay Mines	15.88	−20.5
Columbia Labs	10.38	−18.8
Code Alarm	12.25	−32.9
Midwest Grain	19.25	−26.5
For Better Living Inc.	10.00	−23.1
Brenton Banks Inc.	12.50	−23.1
First Constitution Fin.	10.25	−22.6
London Stock Exchange:		
Next	107	+16.3
Laing Properties	664	+15.7
Ferranti Int'l. Signal	41	+9.5
Hambros	315	+8.6
Laura Ashley	58	+7.4
Racal Telecommunications	378	+6.5
Schroders	1,750	+6.1
Williams Holdings	248	+6.0
Reuters Holdings	1,047	+5.9
Welsh Water	182	+4.6
Saatchi & Saatchi	141	−42.2
McCarthy & Stone	77	−30.6
British Comm. Holdings	55	−28.2
FR Group	170	−23.4
Amersham International	302	−18.4
Berisford International	117	−18.2
Delarue	249	−15.3
Unigate	273	−15.0
Calor Group	308	−14.7
Midland Bank	334	−13.6
Tokyo Stock Exchange:		
Shinagawa Refractories	2,390	+33.5
Chiyoda Corp.	1,940	+24.4
Higo Bank	2,120	+24.0
Nintendo	18,900	+16.7
Tsugami	1,160	+14.9
Tekken Construction	1,900	+14.5
Nippon Chemical Ind.	2,800	+13.8
Sankyo Aluminium	1,750	+12.2
Fujita	1,910	+11.7
Pioneer Electronic	6,670	+11.5
Katakura Industries	5,730	−19.2
Orix	5,300	−19.6
Sumitomo Metal	1,800	−19.3
Hitachi Credit	1,550	−18.4
Nichido Fire & Marine	1,280	−18.2
Yasuda Trust	1,800	−18.2
Nitto Denko	1,820	−17.8
Matsuzakaya	6,810	−17.4
Toho Zinc	993	−17.3
Tokai Bank	2,040	−16.7

International Herald Tribune

Total Return for 12 Months

Total return measures both the changes in the prices of securities and the income they provide either in dividends or interest. Gains or losses were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation.



InterSec Research Corp, Stamford Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International.

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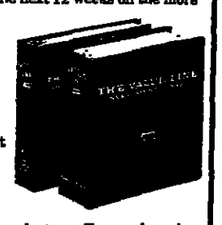

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Junk Bond Funds

Continued from page 13

ny. Downturns in earnings, the loss of a contract or signs that management is shedding its holdings in the company can quickly drive down the value of a junk bond. In contrast, interest-rate moves and inflation prospects are key factors in the returns on high-quality bonds.

"I always encourage people to think of junk bonds as high-risk stocks that may or may not pay a dividend," says Mr. Markese. "If they don't, the share price will fall dramatically."

Given these characteristics, he says, junk bonds should not be more than 10 percent of an investor's total portfolio. Even then, investors should steer clear of funds with bonds rated less than Baa, he says.

Another mistake investors make, says Louis Harvey of Dalbar Financial Services in Boston, is to focus only on a fund's yield. The yield is the fund's annual dividend divided by its net asset value. A better gauge of a fund's success, he reminds, is total return, a measure of performance that takes into account the change in the fund's net asset value and the income from dividends.

Says Mr. Harvey: "There is no point in buying a fund that pays [yields of] 15 percent to 20 percent if the value of the thing will drop 15 percent to 20 percent."

WORLD STOCKS IN REVIEW

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BOURSES

Sizing Up South African Prospects

A peaceful outcome could have major fallout.

By Victoria English

London

YEARS from now, historians may be arguing about whether Frederik W. de Klerk's decision to free Nelson Mandela and legalize the African National Congress was the turning point in the evolution toward democracy in South Africa.

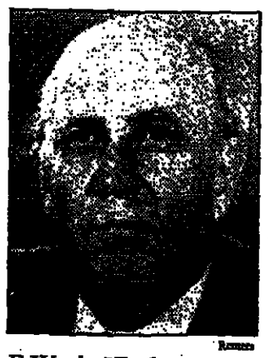
For the moment, however, only one thing is certain. The changes in South Africa fall into the the same category of shattered precedents as the democratic upheavals in Eastern Europe. And both situations hold major investment potential if political reforms proceed peacefully, say professionals.

"People are looking for new investment standards," says Michael Hughes, chief equity strategist at Barclays de Zoete Wedd. "This is a period of mega-change."

While acutely aware of the risks ahead, some London analysts believe South Africa offers more investment potential than Eastern Europe. Shearson Lehman Hutton analyst, Robert Davies, compares South Africa's potential to "another South Korea."

Unlike the former Soviet bloc economies, note some analysts, South Africa has a modern infrastructure, a stock market, and a Western-style banking system, plentiful foodstuffs and a growing consumer class. In addition, it sits on the edge of a potentially huge consumer market at home and in the rest of Africa.

"If apartheid is dismantled and there's more job equality, blacks will be able to buy any of the goods they want because the actual goods are in supply," says Mark Wood, an analyst at Kleinwort Benson Securities. "In Eastern Europe, you can be high on the hierarchy but still be wanting in the basics."



Reuters

F.W. de Klerk

But the road to these sweeping social changes is filled with danger. Among them is the possibility of a conservative white backlash to Mr. de Klerk's efforts to dismantle legislation that made separation of the races a key element of South African society. Another is a revolt by impatient urban blacks. And lack of progress on the political front could also delay the lifting of international sanctions against Pretoria.

"I expect to see the situation swing back and forth from pessimism to optimism," Mr. Wood said. "We'll see a lot more rhetoric from now on from both sides."

One sign of the nervousness can be found in the behavior of the financial rand, the investment currency used in South Africa's two-tier foreign exchange system. Before Mr. de Klerk announced his political initiatives to Parliament on Feb. 2, the financial rand was trading at a 25 percent discount to the commercial rand, the exchange rate used for trade and other nonfinancial transitions.

After the speech, the differential narrowed to 20 percent. But two weeks later, when Mr. Mandela said he supported the ANC's policy of nationalization, the differential widened again to 30 percent. In unison, the share market rallied, fell and later stabilized at pre-announcement levels.

In the near term, then, analysts talk mostly of "trading strategies" in South African securities. One is to sell shares and buy South African government bonds. Mark Brown, an economist at the Johannesburg-based brokers Frankel Kruger Inc., notes that South African government debt currently provides a yield of 22 percent, which takes into account that foreigners buy bonds in the financial rand but receive interest in the stronger commercial rand.

Another strategy is to trade a handful of relatively liquid South African gold stocks listed on foreign exchanges. Examples include Driefontein, Kloof, Vaal Reefs, and Western Deep Level, all of which have American Depositary receipts on the U.S. Nasdaq system and on the London stock exchange. Many traders accumulate these shares when they have fallen and then sell when a spurt of optimism drives up prices.

Longer term, with the exception of a handful of large companies, the gold mines face rising costs. At the current exchange rates and in the absence of a significant rise in the price of gold, as much as 40 percent of South Africa's gold industry could show an operating loss this year, predicts Michael Spriggs, an analyst at S.G. Warburg Securities.

For investors who are looking for other bets on a peaceful transition of power in South Africa, there are a number of solid bets. Though unlocking South Africa's huge consumer market will take time, it will likely benefit companies in the retail sector, such as Pick N Pay, a food retailer, and Wooltru, a clothing retailer. Apartheid's demise also could help companies like Premier, a food manufacturer, and SA Breweries, which are well positioned to export food and beer to the rest of Africa, Kleinwort's Mr. Wood believes.

A gradual dismantling of international sanctions could give a boost to energy and strategic metals concerns belonging to two conglomerates, Anglo American Corp. and Gencor Ltd., says Mr. Spriggs. Coal producers such as Anglo American's 51.2-percent-owned Amcoal unit, and Gencor's 42-percent-owned Trans-Natal Coal Corp. have been selling the fuel below world market prices to Far East customers, industry followers believe.

"The removal of sanctions will enable these producers to raise their market share," Mr. Spriggs says. The removal of sanctions also would help Highveld Steel, an Anglo-American subsidiary and producer of the strategic material, vanadium.

But the payoff on all these companies depends on the resolution of South African's thorny political problems. At what point can South Africa be deemed to have turned the corner?

"The real turning point is when apartheid is abolished, and when it's perceived that a democratic alternative is viable in capitalistic terms," says Geoffrey Browne, chief investment manager at the British insurer Sun Alliance. "That is still some ways down the road."

U.S. Brokers Give ADRs a New Twist

By Vivian Lewis

New York

ONE OF the signs that U.S. investors are finally coming around to a more global view of investment has been the surge in the number of American Depositary Receipts.

The number of these securities, essentially certificates representing the shares of non-U.S. companies, rose sharply last year. At the end of 1989, 804 ADRs were listed on U.S. exchanges, nearly quadruple the number a year earlier. These proxies for foreign shares have been highly touted as a cost-efficient means for investors in U.S. markets to buy shares of a non-U.S. company.

"The advantage of ADRs is that they cut the expenses of international investment," says Dimitri Balatsos, director of global investing at Kidder Peabody. "You can avoid having to open foreign brokerage accounts, and you have no problems with stocing and warehousing your shares, as you would if you bought on foreign markets."

Now, U.S. brokerages are going a step further by packaging ADRs in new forms for their retail clients. Merrill Lynch recently assembled a unit trust of 36 ADRs. The three largest holdings are the ADRs of German companies — Dresdner Bank, Deutsche Bank and Volkswagen.

In U.S. brokerage jargon, a unit trust is an unmanaged portfolio of securities. Like a conventional fund, holders have a claim on a prorata share of the underlying securities and dividends payments. Typically, unit trusts are set up for a fixed time period.

Because the portfolio remains largely fixed during the trust's life, the annual fees are less than a typical fund's charges. The only management charge is a "surveillance" fee of one-quarter of 1 percent a year. The minimum investment is $1,000.

Though the portfolios will be largely left intact for the life of the trusts, Merrill has set up a means for weeding companies whose prospects look particularly poor. Merrill will monitor analysts following companies in the trust and consider selling an issue that has received two or more "sell" recommendations.

Kidder also has an ADR fund in the works, though it will be a managed portfolio. To be called Kidder Select International, the fund has targeted well-heeled investors and will command a minimum $100,000 initial investment.

One advantage of both funds is that they will include a heavy element of so-called "unsponsored" ADRs, which are more costly for individuals to hold than sponsored ADRs. Sponsored ADRs are listed by the company whose shares they represent. These companies bear the costs of servicing ADR holders, arranging the payment of dividends in dollars and ensuring that these foreign investors receive the same opportunities as holders in the company's home country to subscribe to rights offerings and share splits.

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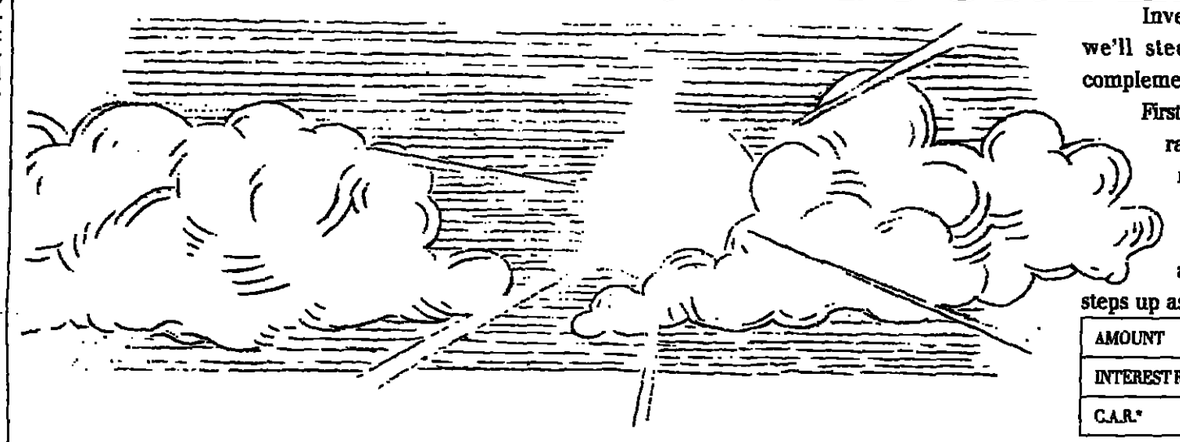

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MONDAY SPORTS

Sabatini Finally Stops Capriati With 6-4, 7-5 Victory in Final

The Associated Press

BOCA RATON, Florida — Jennifer Capriati's whirlwind professional-debut run through the Virginia Slims of Florida came to an end Sunday when Gabriela Sabatini of Argentina, the top seed, stopped her, 6-4, 7-5, in the final.

Sabatini, No. 3 in the world, won her first title of the year.

Despite the loss, Capriati, a 13-year-old American, became the youngest player since the open era began in 1968 to reach the final of a major professional tournament.

Unlike in her previous matches, Capriati could not come up with the winners when she needed them the most on Sunday. Down a break of service at 3-2 in the first set, Capriati could only trade games with the stronger, more experienced Sabatini. With Sabatini on the brink of taking the first set at 5-4, Capriati managed to go up love-30 — two points from 5-5.

But Sabatini, as she did time and time again, raised her game and held off Capriati.

It was more of the same in the second set. Capriati went up, 4-2, breaking Sabatini at love, but she could not hold it. Sabatini broke back and then held for 4-4.

Then, at 5-5, Sabatini, with the help of a few missed overheads by Capriati, went ahead by 6-5 before serving out the match.

Capriati had one break point in the final game, at 30-40, but Sabatini came up with a service winner.

■ Promises Justified

Sally Jenkins of The Washington Post reported earlier:

Just by reaching the final, Capriati justified the wild promises made on her behalf.

The 5-foot, 6-inch, 125-pound (1.67-meter, 56.7-kilogram) eighth-grader from Saddlebrook, Florida, defeated Laura Gildemeister of Peru, 7-6 (9-7), 7-6 (7-4), in Saturday's semifinals. That made her 5-0 as she eliminated a fourth seeded player in her professional debut while dropping just one set.

It also made her the youngest finalist, surpassing Andrea Jaeger's feat at 15 years, 2 months, at the U.S. Clay Court championships in Indianapolis in 1980. Jaeger also is the youngest player to have won a tournament, in Tampa, Florida, in 1980 at 15 years, 4 months. Capriati will be 14 on March 29.

And only three players, Austin, Chris Evert and Kathy Horvath, have won their first pro tournament.

"I really can't believe I'm in the finals," Capriati said. "I mean, this is a dream come true for me."

She had demonstrated a different quality in each match. Saturday, it was stubbornness as she overcame 4-2 deficits in each set against Gildemeister, a 25-year-old ranked No. 21 and seeded No. 10.

Capriati's normally deadly strokes were scattered and dull, but she staved off three set points in the first-set tiebreaker before she finally won it, then gradually wrested away the remainder of the match.

"She plays very well when she's down," Gildemeister said. "She's down all the time, and she just keeps fighting. Some people just give up."

Capriati's debut on the pro circuit had been widely awaited since December, when she signed a $3 million endorsement contract with Diadora, an Italian clothing and shoe company. And in her first tournament she lived up to predictions like that made by Evert, who said Capriati could be a top 10 player in her first year.

On Friday, she turned in a breathtaking, 6-1, 6-4 upset of Sukova to reach the semifinals. Before that, she had beaten No. 16 Natalie Tauziat of France, No. 34 Claudia Porwik of West Germany, and No. 110 Mary Lou Daniels of Chicago.

Gildemeister came into Saturday's match playing some of the best tennis of her career. One of only three working mothers on the tour, she has a forehand that is among the best in the women's game.

But she was bothered by an unruly and clearly partisan Capriati crowd, and her backhand was unstable, ultimately betraying her as Capriati cannily hacked away at it.

All three set points in the first set got away on the backhand side after four unforced errors by Capriati allowed Gildemeister to seize a 6-4 lead in the tiebreaker.

On the first set point, Capriati drove a backhand down the line that Gildemeister pushed into the net.

The second was lost on a line call, the angled backhand volley ruled wide on what Gildemeister said was "a terrible call."

Capriati finally gained a set point of her own with a memorable forehand passing shot, off a running retrieve of Gildemeister's drop shot, for an 8-7 lead. She then clinched it with a high-kicking service winner that forced Gildemeister to hit a feeble backhand into the net.

"I was just thinking, 'Come on,' " Capriati said. "I really didn't want to lose that set."

■ Agassi Beats Becker

Sixth-seeded Andre Agassi defeated No. 1 Boris Becker, 6-4, 6-4, to gain the final of the $1 Million Newsweek Champions Cup against Stefan Edberg, United Press International reported from Indian Wells, California.

The U.S. teenager took just 68 minutes Saturday to record his first victory, winning nine games in a row against the world's No. 2 player.

"Anytime you beat somebody whose accomplished as much as him [Becker], it's an accomplishment in itself," Agassi said.

Edberg, with an effective serve-and-volley game, beat unseeded Jim Courier of the United States, 6-4, 6-1. The Swede defeated Agassi 19, in straight sets in last December's Masters, their only meeting.

Peter Stackpole/Reuters

Capriati after her 7-6 (9-7), 7-6 (7-4) defeat of Laura Gildemeister.

Baseball: On Day 25 Just Silence

By Murray Chass
New York Times Service

NEW YORK — With still no end in sight, the spring training lockout entered its 25th day Sunday, the second-longest work stoppage of major league baseball history behind the 50-day strike in 1981.

Although the principals in the labor dispute remained quiet over the weekend, they were not inactive.

Commissioner Fay Vincent uncharacteristically declined to comment, but two sources involved in negotiations said Saturday he had met at his home in Greenwich, Connecticut, with Donald Fehr, the players' labor leader.

"I'm in no position to discuss today other than I was in my den," Vincent said by telephone.

One source indicated that the major topic of conversation was the problem of the players who have been in the major leagues between two and three years.

Fehr was not at his home in Rye Brook, New York, and did not reply to messages left for him.

The commissioner would not say if any conversation he might have had in his den or anywhere else in his house had been fruitful.

"I'm not going to talk," he said. "I have no comment. Nothing's changed. There's been no development."

One rumored development was that he was considering a decision to order spring training camps opened, thus ending the owners' lockout.

"I heard I was going to be announcing something," he said, then speculated that the rumor might have arisen because he canceled network television interviews scheduled for Saturday and Sunday.

Last Thursday, Vincent asked the owners to lift their lockout if the players gave a no-strike pledge. The owners agreed, but the players said they could not.

Vincent, however, said he would try and find a way to deal with the union's concerns about the possible consequences of the union's relinquishing its right to strike. He began that effort Friday and said Saturday he hoped to be able to do so.

Union officials, however, have made it clear they see no way they could offer not to strike and no way the commissioner or anyone else could find a way to make it possible for them to do that.

The way the two sides stand, the owners don't want to give ground on the arbitration eligibility matter and the players have no interest in the owners' bonus pool plan for players who have been in the major leagues between two and three years.

The negotiators have not met since Wednesday evening.

No one has made any formal pronouncement on the start of the season, scheduled for April 2. But considering that the initial opening games would be played three weeks from Monday, there's hardly a chance of salvaging the start.

Both sides have estimated that players, particularly pitchers, need a minimum of three weeks of spring training to get ready for the regular season.

Even if camps were to be opened Sunday or Monday, they could not be in full swing until later in the week because clubs have not sent their equipment to camp sites in Florida and Arizona.

SIDELINES

Ballesteros Wins Balearic Golf Playoff

PALMA DE MAJORCA, Balearic Islands (AP) — Seve Ballesteros of Spain battled back Sunday from five shots down, birdied the 18th hole to pull even with Magnus Persson of Sweden, then won the Balearic Open golf tournament on the first hole of a sudden-death playoff.

Three birdies on the back nine gave Ballesteros a closing 68 and an aggregate 269 to tie Persson, who staggered to a 73 after shooting rounds of 65, 65 and 66 on the par-72 Son Vida Golf Club course.

● In Coral Springs, Florida, John Huston shot a two-under-par 70 on Saturday to take a one-stroke, third-round lead in the Honda Classic.

Trenary of U.S. Wins Skating Title

HALIFAX, Nova Scotia (Combined Dispatches) — Jill Trenary's long climb to the highest level of figure skating has ended with her victory in the world championships, her first major international title.

After finishing seventh, fifth and third the last three years, the three-time U.S. champion did what she had to do Saturday — finish no lower than second in the long program to assure that Midori Ito of Japan, the defending champion, could not repeat. Ito won the round, but Trenary earned the second-best marks. *(See Scoreboard.)*

In the ice-dancing category, Marina Klimova and Sergei Ponomarenko of the Soviet Union retained the title but the Canadian-raised French duo of Isabelle and Paul Duchesnay scored a moral victory despite settling for the silver medal, beating the Russians in the free dance and posting five perfect marks of 6.0 for artistry. *(NYT, Reuters)*

U.S. Soccer Team Beats Finland, 2-1

TAMPA, Florida (AP) — Paul Caligiuri and Bruce Murray each had a goal and an assist as the U.S. national soccer team defeated Finland, 2-1, in a World Cup warmup game here on Saturday.

The United States took a 1-0 lead when Caligiuri, a member of the 1988 U.S. Olympic team, scored off an assist by Murray. Finland tied it early in the second half on a goal by Kimmo Tarkkio. But Murray, a member of the Clemson University team that won the National Collegiate Athletic Association title in 1987, scored the winning goal with 23 minutes left.

NFL World League Gets U.S. TV Deal

ORLANDO, Florida (AP) — The National Football League has agreed to a four-year contract with the USA cable network that guarantees that all games involving U.S. teams in the new World League of American Football will be shown in the United States.

The contract gives USA the rights to 40 Saturday and Monday games in 1991 and 1992, with rights to either Saturday or Monday games the next two seasons. ABC will televise 14 Sunday games in 1991 and 1992, and has first option on Saturday or Monday games the next two years.

The league will play a 10-game schedule with teams in six U.S cities. Other teams are expected to be in Barcelona, Frankfurt, London, Mexico City, Milan and Montreal. Television arrangements for games between non-U.S. teams are being negotiated.

For the Record

Red Ransom, a leading Kentucky Derby prospect, was found Friday to have suffered a torn tendon sheath that will probably force him to miss the Triple Crown races. *(NYT)*

A foursome from the University of Texas ran the fastest women's 1,600-meter relay in indoor history, clocking 3 minutes, 32.01 seconds Saturday in the National Collegiate Athletic Association Track and Field Championships in Indianapolis. But the time will not count as a world record because anchor runner Sandie Richards is from Jamaica; to be eligible for a world record, all four runners must be from the same country. *(AP)*

Philippe Collet of France set a national pole vault record of 19 feet, 6 inches (5.94 meters), improving his own record of 19-5¼, in the Masters competition Saturday in Grenoble, France. World record-holder Sergei Bubka of the Soviet Union was second at 19-4¾, with his compatriot, indoor world champion Rodion Gataullin, third at 18-10½. *(AP)*

The former Czechoslovak long-distance runner Emil Zatopek, 67, has received a formal apology from Defense Minister Miroslav Vacek for his dismissal from the national team in 1968 for his political views. *(UPI)*

UEFA, the governing body of European soccer, on Saturday lifted a three-season ban from European club competition against Racing Club Strasbourg, but ordered the French team to pay a fine of 150,000 Swiss francs ($100,000) and 20,000 francs to meet appeal costs. *(AP)*

Richard Hadlee, 38, the New Zealand all-rounder who is the most successful bowler in test history, announced Sunday that he will retire from international cricket after a test against Australia that begins Thursday in Wellington. *(AP)*

A federal judge in New York has consolidated law suits by Donald Trump and Don King against James (Buster) Douglas and scheduled a trial for next month on their claims to Douglas's first fight as world heavyweight champion. *(AP)*

The National Hockey League reinstated Bob Probert, the Detroit Red Wings player expelled last year after his arrest on cocaine charges. *(AP)*

Lee Yul Woo of South Korea won the World Boxing Association flyweight title in Seoul on Saturday with a split-decision victory over defender Jesus Rojas of Venezuela. *(AP)*

Welcome N'eita of South Africa won a unanimous decision over Fabrice Benichou of France to capture the International Boxing Federation junior featherweight title in Tel Aviv on Saturday. *(AP)*

Philippe Alliot of France was disqualified from Sunday's Formula One Grand Prix in Phoenix after one of his Ligier-Cosworth crewmen broke a rule by coming onto the track to work on Alliot's car after he crashed during Friday's qualifying session. *(AP)*

Steffi Graf, the world's top-ranked women's tennis player, will play in a professional tournament in September in Leipzig, East Germany, the official East German news agency ADN said Sunday. *(AP)*

LeMond: 'Hurting on Hills'

Success Weighs on Cycling's Defending Champ

By Samuel Abt
International Herald Tribune

ST. ETIENNE, France — There's no reason to worry, Greg LeMond keeps saying, especially to himself, as he gets off to a slow and painful start in the new professional bicycling season.

His celebrity status in the United States — sportsman of the year for both Sports Illustrated magazine and ABC-TV's Wide World of Sports, television pitchman for Taco Bell fast foods — cost him up to three weeks of vital training during the winter.

"One thing led to another and I found myself overwhelmed, too much to do," the 28-year-old LeMond said of the commercial opportunities that arose after he won the Tour de France, the sport's most prestigious race, last July for the second time.

Having lived it up, LeMond is now painfully living it down.

"I'm hurting on hills," he admitted during the eight-day Paris-Nice race, which ended Sunday with LeMond finishing more than eight minutes behind the winner as Miguel Indurain of Spain retained his title by a mere eight seconds over Stephen Roche of Ireland.

"I'm not bad, I'm just bad on the hills," LeMond said, having proved that a few hours later by finishing a minute behind the rest of his team during a long and hilly time trial in the outskirts of St. Etienne.

Riding over 44.5 kilometers (27.5 miles) of wintry countryside, the American stayed with his Z teammates until the final long uphill ramp, where he was left behind.

"It was hard, a little too hard for me," he said as he pulled a jacket over his rainbow-striped jersey of the world champion. LeMond won that jersey a month after his last-day triumph in the Tour de France, which completed his comeback from a nearly fatal shooting accident in 1987.

Remembering that long ordeal, LeMond refuses now to panic.

"No, no, no," he said hurriedly when asked if he was worried by his poor showings in races in Spain and France since early February.

"Last year if I was riding this way or if I got dropped on a hill, I'd worry and get thinking whether there was something wrong with me. Now I know nothing's wrong. It's just a matter of getting the kilometers in my legs. I should be fine by May or June.

"Next year — each year I say 'next year' — I want to train well in January and be in good shape when the season starts. But it never happens."

Part of the problem is that when LeMond returned to Europe on Jan. 22 from the four-month layoff between seasons, he was four kilograms (8.8 pounds) overweight. Half that weight has since been lost.

"I'm at 74 kilos now," he said sheepishly, "still two kilos over my best weight. That's nearly five extra pounds to carry up each hill."

He looks solid and explains that his extra weight is not fat but upper-body muscle developed while crosscountry skiing near his home in Wayzata, Minnesota. He had trained hard during November and December, mostly by roller-skiing and riding cyclocross, he said, but a slight flu and business obligations had then cut short his roadwork.

"Everybody would like to see the world champion racing really well from February on, but my responsibility is to race really well in the Tour de France. As usual, that's my main goal."

Before that race in July, LeMond expects to ride in some of the April classics, or one-day races, the Tour de Trump and the Giro d'Italia in May and the Tour of Switzerland in June. After the Tour de France, his major dates are the world championships in Japan in September, then the fall classics in Europe.

"I'm still hoping to win a classic, maybe Paris-Roubaix, but the two races I really want to do well in are the Tour de Trump and the Tour de France," he said. "The Tour de France for obvious reasons, the Tour de Trump because it's at home."

The price of success is worth paying, he said, not bothering to mention the nearly $2 million he will make this year in salary from the Z team.

"I keep saying I'm suffering and it's hurting, but overall I can't complain. I'm extremely happy. I'm enjoying myself."

Reuters

LeMond: 'I found myself overwhelmed.'

Austrians Dominate In Slalom

The Associated Press

STRANDA, Norway — Karin Buder won a women's slalom Sunday for her first World Cup victory as Austrians swept the first three spots and six of the top seven.

Buder, 26, timed in 1 minute, 25.57 seconds, finished ahead of Claudia Strobl and Anita Wachter. Camilla Nilsson of Sweden squeezed in among the Austrians to finish fourth. *(See Scoreboard.)*

Vreni Schneider of Switzerland abandoned the race in the second run, opening up the battle for the slalom title. Schneider's 27-point lead over Strobl shrank to seven with two races left.

On Saturday, Carole Merle of France won the women's giant slalom in Stranda, her third straight victory. Kristi Terzian of the United States was second, followed by Florence Masnada of France.

Wachter finished 12th, but clinched the giant slalom title.

In a men's super giant slalom Saturday in Hemsedal, Norway, Pirmin Zurbriggen of Switzerland beat teammate Karl Alpiger by .05 seconds to win the super giant slalom title. Last weekend, Zurbriggen clinched his record-tying fourth overall title.

It was the 40th victory in a 10-year career for Zurbriggen, who is to retire at the end of the season.

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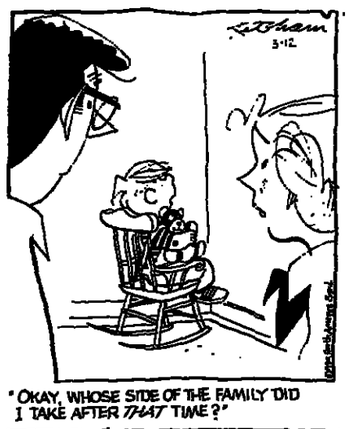


"OKAY, WHOSE SIDE OF THE FAMILY DID I TAKE AFTER *THAT* TIME?"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ACEEP
CHOAR
NOWWIN
LIRMAN

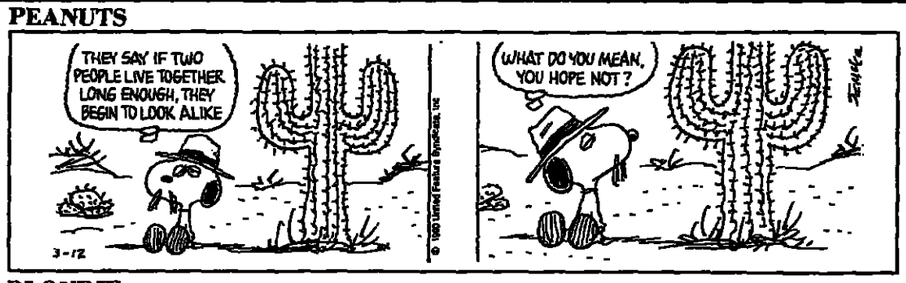
THEY USED TO CONSIDER HIM A "RAKE," BUT NOW HE'S SIMPLY TURNED INTO THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A _____ _____ (Answers tomorrow)

Saturday's Jumbles: APPIE PIANO DIGEST FOMENT
Answer: Like a whip, some speakers tool loudest when they're this — IN A FOG

PEANUTS



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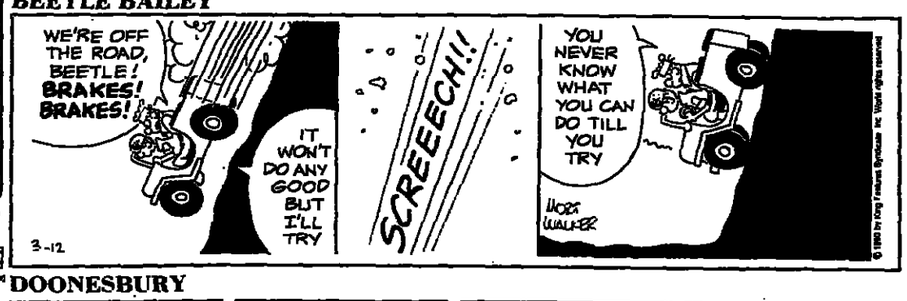

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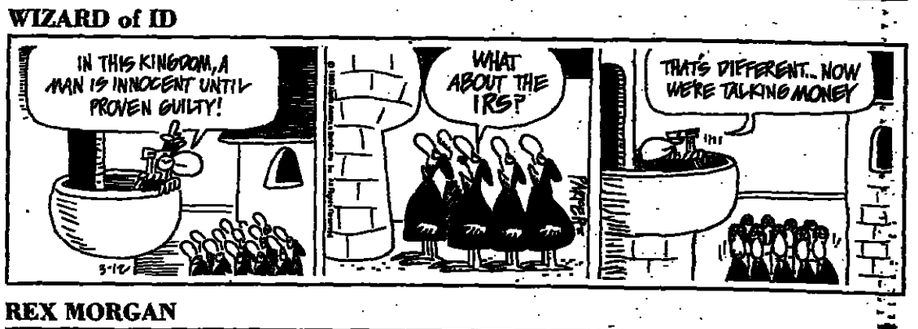
ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD

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MONDAY SPORTS

Connecticut, Michigan State and Georgia Tech Win NCAA Berths

Compiled by Our Staff From Dispatches

Guards Chris Smith, Tate George and John Gwynn led a Connecticut attack on Sunday that gave the No. 8 Huskies their first Big East tournament championship with a 78-75 victory over No. 4 Syracuse.

In a regular-season finale, Michigan State won its first outright Big Ten championship since 1978, beating Purdue.

In other conference tournaments, No. 14 Georgia Tech defeated Virginia for the Atlantic Coast Conference title and Ball State beat Central Michigan for the Mid-American championship.

Connecticut's George, who made six straight free throws in the last 30 seconds, had 22 points and Smith got 20. Gwynn came off the bench to score 16 points.

COLLEGE BASKETBALL

It was the first appearance in the Big East final for the Huskies (28-5). Syracuse (24-6) lost for the sixth time in eight finals.

George, Smith and Gwynn led a defense that forced 20 Syracuse turnovers. The Orangemen got 21 points from Stephen Thompson and 13 each from Derrick Coleman and Billy Owens.

David Johnson scored on a fast break to get Syracuse to 67-65, but the Orangemen did not score again for nearly three minutes and Connecticut built a 71-65 lead before Scott sank a three-point shot with 1:37 left.

No. 7 Michigan State 72, No. 10 Purdue 70: Dwayne Stephens came up with a steal and a basket with 20 seconds left to lift the Spartans in East Lansing, Michigan.

Michigan State (26-5, 15-3) shared the conference title in 1979, when Magic Johnson, now the star of the National Basketball Association's Los Angeles Lakers, led the Spartans to the NCAA title.

Purdue led, 70-67, with 50 seconds left on two free throws by Tony Jones.

But Michigan State's Kirk Manns, who missed the previous three games with a stress fracture in his right foot, sank a jump shot with 34 seconds remaining.

Stephens stole the ball from Jones at Michigan State's end of the court, spun to the basket and scored on a layup, putting the Spartan's ahead, 71-70. Steve Smith's free throw with three seconds left provided the final margin.

No. 14 Georgia Tech 70, Virginia 61: Dennis Scott and Kenny Anderson, two-thirds of the Georgia Tech offensive arsenal, scored 18 points each, leading the Yellow Jackets to the ACC title in Charlotte, North Carolina. Brian Oliver, the final third of the Georgia Tech attack, finished with 17 points.

Ball State 78, Central Michigan 56: Billy Butts and Curtis Kidd scored 19 points each in Detroit as the Cardinals (24-6) won the Mid-American title for the second straight year.

No. 20 Illinois 69, Indiana 63: Kendall Gill scored 23 points, and the Illini gave Coach Lou Henson a school-record-tying 316th victory by holding off a second-half Hoosier rally in a Big Ten game in Bloomington, Indiana.

The victory for Henson, ending his 15th season, tied the Illinois coaching record of 316 by Harry Combes from 1948 to 1967.

In conference tournaments on Saturday:

ATLANTIC COAST

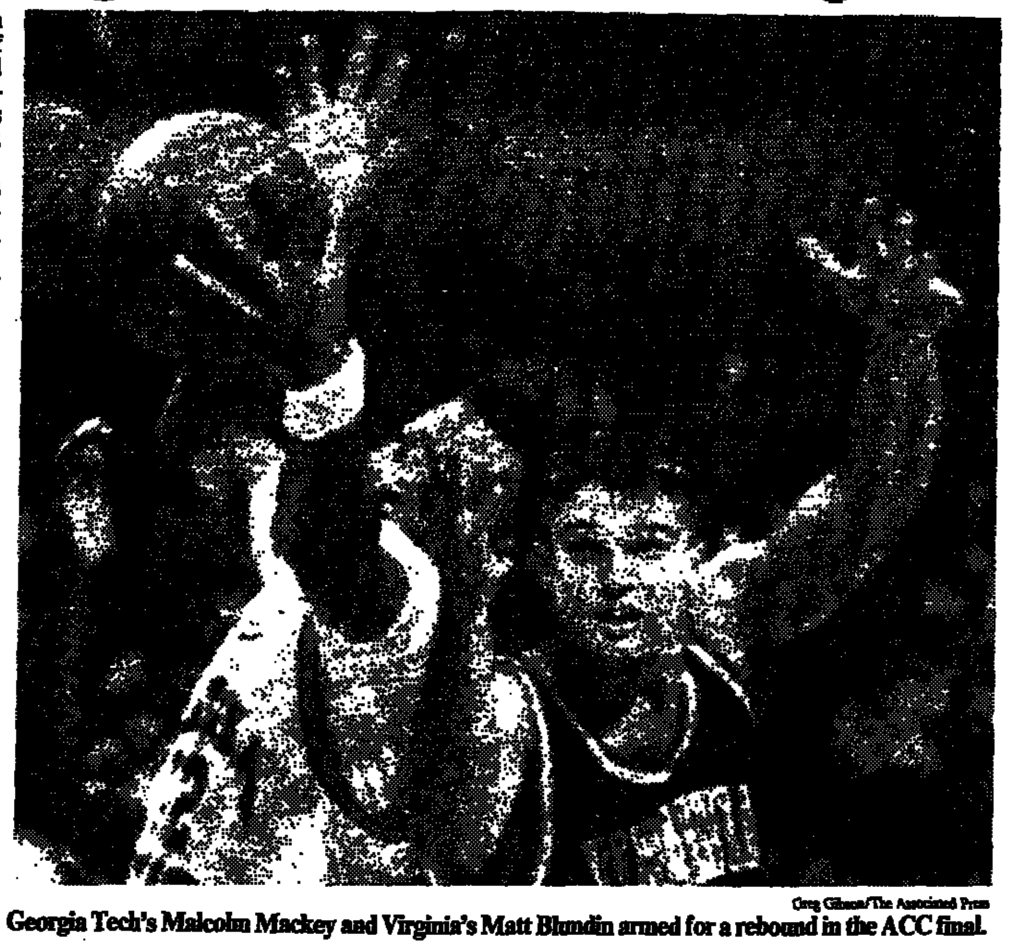
Virginia 69, No. 17 Clemson 66: John Crotty scored 16 points and Kenny Turner ignited a second-half surge in Charlotte, North Carolina, as Virginia (19-10) advanced to the tournament championship for the first time since 1983.

On Friday, Anthony Oliver scored eight of his career-high 23 points in overtime, leading Virginia to a 92-85 victory over North Carolina. Oliver made consecutive jumpers, the second with a minute left, to give Virginia an 88-85 edge.

No. 14 Georgia Tech 83, No. 12 Duke 72: Oliver scored 11 points in a crucial 15-3 run as the Yellow Jackets (23-6) set up the first ACC tournament final without a team from North Carolina.

On Friday, Duke had become the first team to reach 100 points in an ACC tournament game since 1983, routing Maryland, 104-84.

Georgia Tech rallied from a 10-point halftime deficit to beat troubled North Carolina State, 76-67.



Greg Gibson/The Associated Press

Georgia Tech's Malcolm Mackey and Virginia's Matt Blundin armed for a rebound in the ACC final.

BIG EAST

No. 8 Connecticut 65, No. 5 Georgetown 60: In New York, Connecticut (27-5) rallied to win in the second half for the first time this season, using a 14-0 run to overcome a 47-39 deficit.

On Friday, George scored 20 points and Connecticut's defense recorded 17 steals as the Huskies routed Seton Hall, 76-58. Georgetown had advanced, 78-77, as Dikembe Mutombo struck for 18 points and 14 rebounds and the Hoyas withstood a gutty comeback by Providence.

No. 4 Syracuse 73, Villanova 61: Derrick Coleman had 25 points and 23 rebounds, setting a Syracuse career-scoring record and a tournament rebounding mark, as the Orangemen (24-5) gained the final for the fifth consecutive year.

Coleman broke the tournament rebounding record of 20 set by Otis Thorpe of Providence in 1984 against Seton Hall. Coleman now has 2,082 points in four years, breaking the Syracuse record of Sherman Douglas by 22.

Friday, the Orangemen escaped with a 58-55 victory over Pittsburgh as Coleman hit a shot from the lane with 21 seconds left and made a game-saving block of a dunk in the final seconds. Villanova made 14 free throws in the final 2:20 of its first-round game for a 70-60 victory over St. John's.

BIG EIGHT

Oklahoma 95, Kansas 77: The top-ranked Sooners made 63 percent of their shots from the field and all 18 of their free throws to beat the No. 2 Jayhawks in the semifinals in Kansas City.

Oklahoma (25-5), which was to play Colorado in the final on Sunday, pulled away with a 24-8 run early in the second half. The Jayhawks (29-4) shot just 31 percent in the second half as all-conference guard Kevin Pritchard went 0-for-7 from three-point range.

On Friday, the Jayhawks set a record for most points scored in a conference tournament game, beating Iowa State, 118-75. Kansas topped the mark of 116 set by Oklahoma in 1985.

Colorado 82, Oklahoma State, 72: In the other semifinal, Shaun Vandiver scored 26 points and Stevie Wise 22 for Colorado, which had finished last in the conference for the fourth straight season.

On Friday, Wise scored nine points in overtime as Colorado stunned No. 6 Missouri, 92-88, for Colorado's first Big Eight tournament victory since 1984.

BIG SKY

Idaho 65, E. Washington 62: In Boise, Idaho, Ricardo Boyd drilled a three-pointer at the buzzer to give defending champion Idaho the victory in the conference final.

BIG WEST

Long Beach St. 90, No. 23 New Mexico St. 85: Freshman Lucious Harris scored 30 points as Long Beach State extended its winning streak to nine games and advanced to the final in Long Beach, California. On Friday, Harris scored 23 points as the 49ers cruised past Utah State, 86-69.

No. 3 UNLV 99, Pacific 72: Anderson Hunt scored 19 points and Stacey Augmon added 18 as No. 3 UNLV advanced to its seventh Big West final in eight years. UNLV (28-5) has won the tournament in five of the past six years.

METRO ATHLETIC

No. 18 Louisville 83, S. Mississippi 80: LaBradford Smith made his first nine shots and scored 24 points, and Felton Spencer added 21 as Louisville (26-7) won the championship in Biloxi, Mississippi.

On Friday, Southern Mississippi gained its first conference final by beating Cincinnati, 75-63, and Louisville edged Memphis State, 76-73.

MID-AMERICAN

Ball State 69, Eastern Michigan 58: Kidd and Paris McCurdy rallied the top-seeded Cardinals to a come-from-behind victory.

Central Michigan 78, Miami of Ohio 76: In its upset, Central Michigan set a tournament record with 11 three-pointers, breaking the record of 10 set by Miami on Friday in its 108-80 victory over Toledo.

MIDWESTERN COLLEGIATE

Dayton 98, No. 24 Xavier, Ohio 89: In Dayton, Ohio, Negele Knight had 32 points and 15 assists as the Flyers won the tournament with an upset of the regular-season champion.

NORTH ATLANTIC

Boston U. 75, Vermont 57: In Hartford, Connecticut, Bill Brigham had 26 points and 11 rebounds as Boston University (18-11) won the conference title for its second NCAA tournament berth in three years.

PACIFIC-10

UCLA 79, Arizona St. 78: Trevor Wilson's 10-foot (3-meter) baseline jumper with 29 seconds left averted a second-half collapse for the Bruins (20-9) in Tempe, Arizona.

The Sun Devils, trailing by 62-42 with 12:28 left, took a 78-77 lead on Alex Austin's four-point play with 43 seconds left. After a UCLA timeout with 33 seconds left, Wilson drove the baseline and made his decisive jumper.

On Friday, Austin scored nine of his 17 points in the final 3:10 as Arizona State upset Oregon State, 83-75.

No. 15 Arizona 85, Stanford 61: Jud Buechler scored 18 points and Ed Stokes added 15 as Arizona wore down Stanford. On Friday, Matt Muehlebach had a triple-double — 10 points, 11 rebounds and 10 assists — as Arizona routed Southern California, 80-57.

SOUTHEASTERN

Mississippi 65, Vanderbilt 62: Gerald Glass made two three-pointers and two free throws in the final 52 seconds for Mississippi (13-16) in Orlando, Florida. Derrick Wilcox of the Commodores (16-14) had a chance to tie it at the buzzer but his three-pointer was off the mark.

Wilcox and Scott Draud made free throws in the closing seconds of overtime on Friday to give Vanderbilt a 78-74 upset of No. 25 Georgia.

Alabama 87, Auburn 71: James Sanders scored 21 points and Alabama (22-8) made its first six shots of the second half to open a 20-point lead.

Auburn's Derrick Dennison was held to eight points — all in the second half — after scoring 34 in the Tigers' 78-76 upset of No. 16 LSU on Friday.

Mark Caldwell/Reuters

Hoya Alonzo Mourning powering past UConn's Scott Burrell.

SOUTHWEST

No. 9 Arkansas 115, Baylor 75: In Dallas, Arkansas avenged a regular-season loss to Baylor by breaking the tournament single-game scoring mark of 111 points set by Houston in 1981.

Houston 89, Texas 86: Craig Upchurch, Byron Smith, and Carl Herrera scored in double figures as Houston won its 13th straight. Tom Penders, the Texas coach, was ejected with 2:59 to play after receiving his third technical foul.

SOUTHWESTERN ATHLETIC

Southern University 120, Alcorn State 94: Joe Faulkner scored 29 points and Robert Youngblood added a season-high 28 as top-seeded Southern routed Alcorn State in Houston.

Texas Southern 105, Mississippi Valley 75: Charles Price led a first-half long-range shooting exhibition as Texas Southern made seven of 13 three-point shots in a 20-minute span, with Price hitting four.

WESTERN ATHLETIC

Texas-El Paso 75, Hawaii 58: Marlon Maxey scored 17 points and Greg Foster added 16 as Texas-El Paso won the conference championship in El Paso, Texas.

In non-tournament games:

Ohio St. 93, No. 19 Minnesota 83: Perry Carter scored 24 points, and Ohio State (16-12) held off a late rally in Columbus, Ohio, in a game that saw 57 fouls and 71 free throws. Minnesota (21-7) committed 30 fouls and Ohio State 27.

No. 13 Michigan 127, Iowa 96: In Ann Arbor, Michigan, Demetrius Calip scored 17 of his 22 points in the first half as Michigan (22-7) avenged an earlier loss to Iowa.

(AP, UPI)

Gathers Family to File Suit, $1 Million Unclaimed

Los Angeles Times Service

LOS ANGELES — An attorney for the family of Hank Gathers has announced that a lawsuit will be filed against those believed responsible for the basketball player's sudden death.

And it was learned, Gathers might have collected on a $1 million insurance policy in December, when he was diagnosed as having an irregular heartbeat, had he quit playing then.

The Loyola Marymount star, 23, collapsed last Sunday during a West Coast Conference tournament game and died 1 hour and 40 minutes later at a hospital.

Among the most serious claims made by Bruce Fagel, a Beverly Hills attorney who was previously a physician specializing in emergency medicine, was that someone in the Loyola athletic department requested a reduction in Gathers's medication. Fagel said that request, obtained in medical records, was "because it was affecting his play."

Fagel said his staff was trying to determine who was involved in allowing Gathers to play and whether proper medical standards were followed after Gathers collapsed. The defendants will be named after that, he said.

"Clearly the university wanted Mr. Gathers to play and they were involved," Fagel said. "I'm not sure if it was the coach or trainer. It is obvious at this time the university is as much or more involved than the physicians in the circumstances that led to Gathers's death. I want to find out who at the university intervened in making decisions pertaining to medication dosages as well as the decision to play."

Martin Burke, Loyola's legal counsel, said Friday night the university was cooperating with Fagel's investigation.

"The threat of a lawsuit requires, however, that we consult with our insurance carriers and their legal counsel," Burke said. "We will do this on Monday. The university is convinced that Hank Gathers had outstanding physicians and that the administration acted responsibly. He was only allowed to resume his athletic activities following written release by his physicians."

Gathers purchased a $1-million policy from Lloyd's of London last May to guard against career-ending injury or illness during his senior season at Loyola.

The policy, which ran until May of this year, can no longer be cashed because it does not contain a provision for death.

"We don't yet know exactly what Hank's condition was," said Mike Petersen, vice president of Petersen Marketing & Management Corp., the Los Angeles correspondent for Lloyd's of London that handled Gathers's policy. "But this is a good example of a situation where a policy might have paid off. If the doctors state that he can never play basketball again because of his condition, that would qualify under the definition of the policy."

As it is, according to Petersen, Lloyd's has agreed to return the $6,600 premium Gathers paid to obtain the policy — a move that, industry sources said, may be unprecedented for the company.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
New York	38	22	.633	—
Philadelphia	38	23	.623	½
Boston	34	25	.576	3½
Washington	24	39	.381	15½
New Jersey	15	46	.246	23½
Miami	14	47	.230	24½
Central Division				
Detroit	46	15	.754	—
Chicago	39	21	.650	6½
Milwaukee	32	28	.533	13½
Indiana	31	31	.500	15½
Atlanta	29	31	.483	16½
Cleveland	25	34	.424	20
Orlando	16	45	.262	30

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
Utah	44	17	.721	—
San Antonio	39	20	.661	4
Denver	33	27	.550	10½
Dallas	32	28	.533	11½
Houston	30	31	.492	14
Minnesota	16	44	.267	27½
Charlotte	10	48	.172	32½
Pacific Division				
L.A. Lakers	45	14	.763	—
Portland	43	18	.705	3
Phoenix	41	19	.683	4½
Seattle	30	30	.500	15½
Golden State	27	33	.450	18½
L.A. Clippers	25	36	.410	21
Sacramento	18	42	.300	27½

FRIDAY'S RESULTS

Washington 31 21 33 30—115
Boston 25 36 21 [illegible]
Malone 17-25 9-10 43, King 13-27 3-3 29; McHale 11-17 9-10 31, Bird 11-21 4-5 27. Rebounds: Washington 55 (Walker 10), Boston 55 (Bird 14). Assists: Washington 34 (Walker 17), Boston 27 (C.Smith 8).
Detroit 22 19 31 27—99
New Jersey 29 17 31 18—95
Edwards 10-21 1-2 21, Thomas 6-18 7-10 20; Hopson 9-16 3-4 21, Morris 8-16 1-4 19. Rebounds: Detroit 61 (Rodman 13), New Jersey 59 (Shackleford 24). Assists: Detroit 20 (Thomas 7), New Jersey 13 (Conner 4).
Portland 31 24 24 25—104
Philadelphia 26 25 27 22—100
Drexler 10-20 4-4 25, Duckworth 8-12 4-4 20; Barkley 10-16 10-14 31, Hawkins 7-15 12-12 26. Rebounds: Portland 54 (Williams 11), Philadelphia 38 (Barkley 11). Assists: Portland 28 (Porter 9), Philadelphia 11 (Brooks 3).
Seattle 28 23 13 33—97
Atlanta 26 28 31 30—107
Barros 10-18 1-4 26, Cage 7-9 0-0 14; Wilkins 9-13 10-12 28, Malone 9-14 2-4 20. Rebounds: Seattle 45 (Cage 10), Atlanta 37 (Malone 10). Assists: Seattle 27 (Barros 10), Atlanta 24 (Webb 6).
Phoenix 40 36 24 34—134
Indiana 38 27 33 32—130
Chambers 15-24 11-13 41, Hornacek 12-16 3-3 27; Miller 10-14 11-12 32, Fleming 10-13 2-2 22. Rebounds: Phoenix 33 (West 6), Indiana 44 (Schrempf 11). Assists: Phoenix 28 (K.Johnson 13), Indiana 31 (Fleming 8).
Utah 25 29 33 23—[illegible]
Milwaukee 19 22 26 31—[illegible]
Malone 13-25 14-18 40, Bailey 8-17 4-4 20; Pierce 4-9 7-9 15, Pressey 6-12 3-5 15, Roberts 7-13 1-2 15. Rebounds: Utah 5[illegible] (Malone, Eaton 12), Milwaukee 53 (Roberts 10). Assists: Utah 28 (Stockton 19), Milwaukee 20 (Humphries 7).
Golden State 33 28 24 30—115
L.A. Lakers 38 35 29 27—131
Mullin 3-12 11-12 22, Higgins 6-7 4-5 17; Johnson 14-19 4-6 32, Worthy 6-15 8-10 24. Rebounds: Golden State 50 (Hardaway, Tolbert 7), Los Angeles 65 (Johnson 13). Assists: Golden State 23 (Richmond 6), Los Angeles 31 (Johnson 14).

SATURDAY'S RESULTS

Portland 26 29 38 22—114
Washington 30 23 27 30—112
Drexler 12-23 4-4 31, Duckworth 7-13 2-6 16; King 10-23 9-13 29, Malone 12-26 2-2 27. Rebounds: Portland 61 (Kersey, Williams 9), Washington 55 (Walker 9). Assists: Portland 19 (Kersey, Porter 6), Washington 20 (King, Walker 5).
Phoenix 33 26 21 14 7—101
Minnesota 28 23 28 22 4—98
K.Johnson 8-14 8-10 24, Chambers 8-22 4-5 21; Campbell 12-26 3-3 27, Mitchell 10-18 5-5 25. Rebounds: Phoenix 51 (Chambers 8), Minnesota 59 (Corbin 14). Assists: Phoenix 21 (K.Johnson 6), Minnesota 28 (Richardson 11).
Indiana 33 28 21 23—105
Chicago 38 28 30 21—117
Miller 7-14 15-17 30, Smits 8-12 4-4 20; Jordan 17-27 10-10 45, Pippen 6-16 4-4 16. Rebounds: Indiana 47 (Thompson 10), Chicago 50 (Grant 8). Assists: Indiana 27 (Fleming 8), Chicago 28 (Pippen 9).
New Jersey 12 31 29 19—91
New York 29 26 17 38—110
Gervin 8-18 8-10 24, Morris 5-12 0-0 13; Ewing 13-15 5-6 31, G.Wilkins 9-14 3-3 21. Rebounds: New Jersey 50 (Haley 11), New York 41 (Oakley, Ewing, E.Wilkins 7). Assists: New Jersey 18 (Shackleford, Myers 5), New York 29 (Jackson 11).
Dallas 16 25 26 28—95
Houston 28 31 19 25—103
Harper 11-24 3-3 27, Perkins 6-20 9-11 21; Olajuwon 8-17 9-14 25, Wiggins 8-12 3-4 19. Rebounds: Dallas 58 (Tarpley 18), Houston 60 (Olajuwon 16). Assists: Dallas 28 (Harper 7), Houston 25 (Floyd 7).
Denver 28 27 28 28—111
San Antonio 38 31 25 23—118
Davis 10-22 1-2 21, Carroll 8-13 3-6 19; Robinson 9-16 8-13 26, Elliott 12-16 0-0 24. Rebounds: Denver 55 (Carroll 12), San Antonio 61 (Cummings 12). Assists: Denver 26 (Lever 11), San Antonio 38 (Strickland 10).
Orlando 15 21 34 31—101
LA Clippers 29 28 28 27—112
Catledge 8-20 2-4 18, Ansley 8-13 1-2 17; Garland 9-14 3-4 21, Norman 9-18 2-4 20. Rebounds: Orlando 67 (Catledge 16), Los Angeles 67 (Smith 10). Assists: Orlando 22 (Theus 10), Los Angeles 23 (Garland 9).

Selected College Scores

FRIDAY'S RESULTS

TOURNAMENTS

Atlantic Coast Conference

First Round

Clemson 79, Wake Forest 70
Duke 104, Maryland 84
Georgia Tech 76, N. Carolina St. 67
Virginia 92, North Carolina 85, OT

Big East Conference

Quarterfinals

Connecticut 76, Seton Hall 58
Georgetown 78, Providence 77
Syracuse 58, Pittsburgh 55
Villanova 70, St. John's 60

Big Eight Conference

First Round

Colorado 92, Missouri 88, OT
Kansas 118, Iowa St. 75
Oklahoma 78, Nebraska 65
Oklahoma St. 82, Kansas St. 78

Big Sky Conference

Semifinals

E. Washington 83, Weber St. 67
Idaho 80, Montana St. 71

Big West Conference

Quarterfinals

Long Beach St. 85, Utah St. 69
New Mexico St. 72, Fresno St. 66
Pacific U. 65, UC Santa Barbara 62
UNLV 115, Fullerton St. 93

Metro Athletic Conference

Semifinals

Louisville 76, Memphis St. 73
S. Mississippi 75, Cincinnati 63

Mid-American Conference

First Round

Ball St. 77, Ohio U. 70
Cent. Michigan 82, Kent St. 65
E. Michigan 62, Bowling Green 60
Miami, Ohio 108, Toledo 80

Midwestern Collegiate Conference

Semifinals

Dayton 97, Loyola, Ill. 95
Xavier, Ohio 89, Evansville 78

Pacific-10 Conference

Quarterfinals

Arizona 80, Southern Cal 57
Arizona St. 83, Oregon St. 75
Stanford 77, California 61
UCLA 94, Oregon 76

Southeastern Conference

Quarterfinals

Alabama 59, Mississippi St. 44
Auburn 78, LSU 76
Mississippi 87, Tennessee 86
Vanderbilt 78, Georgia 74, OT

Southwest Conference

First Round

Arkansas 84, Southern Meth. 61
Baylor 72, Texas Christian 62
Houston 90, Rice 81
Texas 92, Texas A&M 84

Southwestern Athletic Conference

First Round

Alcorn St. 119, Alabama St. 108, OT
Miss. Valley St. 88, Grambling St. 82, OT
Southern U. 83, Jackson St. 73
Texas Southern 89, Prairie View 60

Western Athletic Conference

Semifinals

Hawaii 66, Utah 60
Texas-El Paso 57, Air Force 54

SATURDAY'S RESULTS

DePaul 64, Notre Dame 59
Michigan 127, Iowa 96
Ohio St. 93, Minnesota 83

TOURNAMENTS

Atlantic Coast Conference

Semifinals

Georgia Tech 83, Duke 72
Virginia 69, Clemson 66

Big East Conference

Semifinals

Connecticut 65, Georgetown 60
Syracuse 73, Villanova 61

Big Eight Conference

Semifinals

Colorado 82, Oklahoma St. 72
Oklahoma 95, Kansas 77

Big Sky Conference

Championship

Idaho 65, E. Washington 62

Big West Conference

Semifinals

UNLV 99, Pacific U. 72
Long Beach St. 90, New Mexico St. 85

Metro Athletic Conference

Championship

Louisville 83, S. Mississippi 80

Mid-American Conference

Semifinals

Ball St. 69, E. Michigan 58
Cent. Michigan 78, Miami, Ohio 76

Midwestern Collegiate Conference

Championship

Dayton 98, Xavier, Ohio 89

North Atlantic Conference

Championship

Boston U. 75, Vermont 57

Pacific-10 Conference

Semifinals

Arizona 85, Stanford 61
UCLA 79, Arizona St. 78

Southeastern Conference

Semifinals

Alabama 87, Auburn 71
Mississippi 65, Vanderbilt 62

Southwest Conference

Semifinals

Arkansas 115, Baylor 75
Houston 89, Texas 86

Southwestern Athletic Conference

Semifinals

Southern U. 120, Alcorn St. 94
Texas Southern 105, Miss. Valley St. 75

Western Athletic Conference

Championship

Texas-El Paso 75, Hawaii 58

NCAA Bids

Ark.-Little Rock, Trans America Ath. Con.
Ball State, Mid-American Conference
Boston University, North Atlantic Conference
Connecticut, Big East Conference
Coppin St., Mid-Eastern Athletic Conference
Dayton, Midwestern Collegiate Conference
East Tennessee State, Southern Conference
Georgia Tech, Atlantic Coast Conference
Idaho, Big Sky Conference
Illinois State, Missouri Valley Conference
La Salle, Metro Atlantic Athletic Conference
Louisville, Metro Athletic Conference
Loyola Marymount, West Coast Conference
Murray State, Ohio Valley Conference
Michigan State, Big Ten Conference
Northeast Louisiana, Southland Conference
Northern Iowa, Assoc. of Mid-Continent Univ.
Princeton, Ivy League
Richmond, Colonial Athletic Association
Robert Morris, Northeast Conference
South Florida, Sun Belt Conference
Temple, Atlantic 10 Conference
Texas-El Paso, Western Athletic Conference
Towson State, East Coast Conference

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
NY Rangers	32	26	12	76	235	228
New Jersey	30	31	8	68	252	258
Pittsburgh	31	34	5	67	268	322
Washington	31	34	5	67	261	251
NY Islanders	28	33	9	65	247	254
Philadelphia	26	35	9	61	255	255
Adams Division						
x-Boston	42	23	6	90	254	204
x-Buffalo	39	24	8	86	248	216
x-Montreal	36	26	8	80	252	207
x-Hartford	32	30	7	71	240	242
Quebec	11	51	7	29	210	351

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
St. Louis	34	27	9	77	258	229
Chicago	35	29	5	75	274	258
Toronto	35	31	3	73	300	308
Detroit	26	33	11	63	259	282
Minnesota	29	36	4	62	239	257
Smythe Division						
x-Calgary	34	21	14	82	296	227
x-Edmonton	34	25	12	80	283	252
x-Winnipeg	34	27	8	76	264	251
Los Angeles	29	34	6	64	292	291
Vancouver	20	38	12	52	211	275

x-clinched playoff berth

FRIDAY'S RESULTS

Quebec 2 1 0—3
Washington 1 2 1—4
Hough (9), Jarvi (6), Jackson (7); Pivonka (24), Courtnall (31), Ridley (23), Ciccarelli (34). Shots on goal: Quebec (on Liut) 13-5-6—24; Washington (on Mylnikov) 10-14-8—32.
Edmonton 4 0 1—5
Winnipeg 0 5 2—7
Graves (7), Anderson (27), Gelinas (17), Messier 2 (41); Steen (17), Evans (8), Ashton (19), Elynuik (26), Fenton 2 (27), McLlwain (22). Shots on goal: Edmonton (on Essensa, Beauregard) 8-9-2—19; Winnipeg (on Fuhr, Ranford) 6-13-5—24.
Calgary 2 2 0 0—4
Vancouver 1 2 1 0—4
Makarov (21), MacInnis (23), MacLellan (16), Patterson (21); Linden (19), Skriko (14), Adams (25), Reinhart (14). Shots on goal: Calgary (on McLean) 18-7-11-1—37; Vancouver (on Wamsley) 9-11-9-3—32.

SATURDAY'S RESULTS

N.Y. Rangers 0 1 1 0—2
Minnesota 1 1 0 0—2
Kisio (18), Mullen (23); Barber (13), Gagner (34). Shots on goal: New York (on Casey) 4-11-6-2—23; Minnesota (on Richter) 19-9-8-0—35.
Pittsburgh 0 1 1—2
Los Angeles 4 3 1—8
Zemlak (1), Dineen (1); Krushelnyski (13), Robitaille 3 (45), Tonelli (27), Gretzky (38), Elik (6), Tonelli (28). Shots on goal: Pittsburgh (on Hrudey, Scott) 13-9-9—31; Los Angeles (on Chevrier, Pietrangelo) 14-15-14—43.
Buffalo 1 1 3—5
Hartford 0 0 0—0
Andreychuk (31), Bodger (11), Turgeon (36), Ruuttu (14), Priestlay (4). Shots on goal: Buffalo (on Sidorkiewicz) 5-4-9—18; Hartford (on Puppa) 8-15-8—31.
Boston 0 3 0 0—3
N.Y. Islanders 2 0 1 0—3
Propp (15), Neely (50), Carter (14); Sutter (24), Wood (22), Crossman (15). Shots on goal: Boston (on Fitzpatrick) 1-14-9-3—27; New York (on Lemelin, Moog) 15-5-12-1—33.
Washington 1 1 2—4
Philadelphia 2 1 0—3
Stevens (10), Rouse (4), Ciccarelli 2 (36); Tocchet (34), Linseman (8), Bullard (25). Shots on goal: Washington (on Wregget) 7-10-7—24; Philadelphia (on Beaupre) 7-8-12—27.
Quebec 1 1 1—3
New Jersey 0 6 3—9
Sanipass (3), Hough (10), Sanipass (4); Kasatonov (4), Stastny 2 (26), Sundstrom (23), MacLean (35), Shanahan 2 (24), Muller (28), Conacher (2). Shots on goal: Quebec (on Terreri) 10-8-4—22; New Jersey (on Tugnutt) 7-15-10—32.
Edmonton 0 1 1—2
Toronto 2 0 1—3
Messier (42), Anderson (28); Iafrate (19), Damphousse 2 (27). Shots on goal: Edmonton (on Bester) 8-12-8—28; Toronto (on Ranford) 7-6-12—25.
Detroit 2 0 1 0—3
Montreal 0 1 2 0—3
Zombo (5), McClelland (5), Federko (16); Richer (44), McPhee 2 (20). Shots on goal: Detroit (on Roy) 9-7-8-5—29; Montreal (on Chevaldae) 15-15-9-2—41.
Chicago 1 1 0 0—2
St. Louis 0 2 0 0—2
Gaulet (17), Thomas (33); Hull (66), Oates (20). Shots on goal: Chicago (on Riendeau) 19-8-6-2—35; St. Louis (on Millen) 4-16-5-1—26.

TENNIS

MEN'S TOURNAMENT

In Indian Wells, California

Quarterfinals

Boris Becker (1), West Germany, def. Jay Berger, U.S., 6-1, 6-2; Stefan Edberg (2), Sweden, def. Jan Gunnarsson, Sweden, 6-2, 6-2; Jim Courier, U.S., def. Aaron Krickstein (4), U.S., 6-2, 7-6 (7-2); Andre Agassi (6), U.S., def. Emilio Sanchez (14), Spain, 6-1, 7-6 (7-3).

Semifinals

Agassi def. Becker, 6-4, 6-1; Edberg def. Courier, 6-4, 6-1.

WOMEN'S TOURNAMENT

In Boca Raton, Florida

Quarterfinals

Mary Joe Fernandez (3), U.S., def Amanda Coetzer, South Africa 6-0, 6-1; Laura Gildemeister (10), Peru, def. Jana Novotna (5), Czechoslovakia 3-6, 6-3, 6-2; Gabriela Sabatini (1), Argentina, def. Dinky Van Rensburg, U.S., 6-2 7-6 (7-2); Jennifer Capriati, U.S., def. Helena Sukova (4), Czechoslovakia 6-1, 6-4.

Semifinals

Sabatini def. Fernandez 4-4, retired; Capriati def. Gildemeister 7-6 (9-7), 7-6 (7-4).

Final

Capriati vs. Sabatini.

CRICKET

New Zealand vs. Australia

One-Day Matches

Saturday, in Auckland, New Zealand
Australia 239-6 (47 overs);
New Zealand 167-2 (34.5).
Australia won by better run rate
Sunday, in Auckland, New Zealand
New Zealand 162 (all out for 58 overs);
Australia 164-2 (39.1 overs).

SKIING

World Cup

MEN'S SUPER GIANT SLALOM

Saturday, in Hemsedal, Norway

1. Pirmin Zurbriggen, Switzerland, 1 minute, 5.57 seconds; 2. Karl Alpiger, Switzerland, 1:05.62; 3. Hans Stuffer, West Germany, 1:05.80; 4. Daniel Sbardellotto, Italy, 1:05.85; 5. Kjetil Aamodt, Norway, 1:05.94; 6. Gunther Mader, Austria, 1:05.98; 7. Atle Skaardal, Norway, 1:06.08; 8. Stefan Eberharter, Austria, 1:06.41; 9. Peter Runggaldier, Italy, 1:06.47; 10. Hubert Strolz, Austria, 1:06.48.

FINAL SUPER-G SLALOM STANDINGS

1. Zurbriggen, 98 points; 2. Mader, 71; 3. Eriksson, 61; 4. Franck Piccard, France, 52; 5. Skaardal, 47; 6. Ole Kristian Furuseth, Norway, 43; 7. Niklas Henning, Sweden, 39; 8. Runggaldier, 37; 9. Armand Schiele, France, 35; Markus Wasmeier, West Germany, 35.

OVERALL STANDINGS

1. Zurbriggen, 344; 2. Furuseth, 228; 3. Mader, 213; 4. Armin Bittner, West Germany, 178; 5. Strolz, 155; 6. Helmut Hoflehner, Austria, 139; 7. Skaardal, 131; 8. Eriksson, 117; 9. Paul Accola, Switzerland, 108; 10. Piccard, 101.

WOMEN'S GIANT SLALOM

Saturday, in Stranda, Norway

1. Carole Merle, France, 2 minutes, 9.20 seconds; 2. Kristi Terzian, U.S., 2:09.86; 3. Florence Masnada, France, 2:10.50; 4. Mateja Svet, Yugoslavia, 2:10.76; 5. Julie Hansen, Norway, 2:10.96; 6. Petra Kronberger, Austria, 2:11.16; 7. Sylvia Eder, Austria, 2:11.17; 8. Kristina Andersson, Sweden, 2:11.30; 9. Cathy Chedal, France, 2:11.33; 10. Nathalie Bouvier, France, 2:11.67.

GIANT SLALOM STANDINGS

1. Anita Wachter, Austria, 124 points; 2. Kronberger, 78; 3. Diann Roffe, U.S., and Svet, 74; 5. Vreni Schneider, Switzerland, 57; 6. Maria Walliser, Switzerland, 49; 7. Michaela Gerg, West Germany, 47; 8. Zoe Haas, Switzerland, 43; 9. Bouvier, 39; 10. Terzian, 32.

WOMEN'S SLALOM

Sunday in Stranda, Norway

1. Karin Buder, Austria, 1 minutes, 25.57 seconds; 2. Claudia Strobl, Austria, 1:25.63; 3. Wachter 1:26.48; 4. Camilla Nilsson, Sweden, 1:26.56; 5. Ida Ladstatter, Austria, 1:26.76; 6. Ingrid Salvenmoser, Austria, 1:26.92; 7. Kronberger 1:27.10; 8. Christine von Grunigen, Switz, 1:27.47; 9. Katrin Stotz, W. Germany, and Gerg 1:27.48.

SLALOM STANDINGS

1. Schneider 180 points; 2. Strobl 93; 3. Wachter 83; 4. Monika Maierhofer, Austria, 71; 5. Buder 70; 6. Ida Ladstatter, Austria, 67; 7. Veronika Sarec, Yugoslavia, 56; 8. Von Grunigen 51; 9. Kristina Andersson, Sweden, 50; 10. Svet 41.

OVERALL STANDINGS

1. Kronberger 294 points; 2. Wachter 279; 3. Gerg 250; 4. Walliser 212; 5. Schneider 161; 6. Merle 152; 7. Michela Figini, Switzerland, 134; 8. Karin Dedler, West Germany, 125; 9. Sigrid Wolf, Austria, 119; 10. Svet 115.

GOLF

Top finishers in the Baleric Open which ended Sunday on the 6,844-yard, par-72 Son Vida course in Palma de Mallorca, Balearic Islands:

Seve Ballesteros, Spain,	66-65-70-68—269	
Magnus Persson, Sweden,	65-65-66-73—269	
(Ballesteros won first hole of playoff.)		
Juan Quiros, Spain,	68-64-71-68—271	
Mark McNulty, Zimbabwe,	67-70-69-66—272	
Jean Van de Velde, France,	71-66-69-67—273	
Rodger Davis, Australia,	70-64-70-69—273	
Armando Saavedra, Argentina,	67-68-70-70—275	
Bernhard Langer, W. Germany,	66-70-70-70—276	
Christy O'Connor Jr., Ireland,	68-68-70-71—277	
Peter Mitchell, England,	70-65-73-70—278	
Bill Malley, USA,	63-72-73-70—278	
Eamonn Darcy, Ireland,	69-68-71-70—278	
Peter O'Malley, Australia,	70-68-69-71—278	
Ronan Rafferty, N. Ireland,	69-69-67-73—278	

SOCCER

FRENCH CUP

Fourth Round

Nantes 2, Auxerre 1
Montpellier 5, Louhans Cuiseaux 1
St Etienne 1, Chaumont 0
Lille 2, Nancy 0
Brest 0, Avignon 1
Cannes 2, Ales 0
Toulon 0, Valenciennes 0
(Valenciennes won 6-5 on penalties)
Mulhouse 1, Strasbourg 1
(Mulhouse won 5-4 on penalties)
Metz 1, Rennes 1
(Metz won 4-2 on penalties)
St Lo 0, Bordeaux 8
Sedan 0, Racing Paris 2
Ajaccio 1, Marseille 3
Gueugnon 1, Laval 0
Rouen 0, Nimes 1 (after extra time)
Martigues 3, Clermont Ferrand 0 (extra time)
Orleans 1, Epinal 0

ITALIAN FIRST DIVISION

Ascoli 0, Cesena 0
Atalanta of Bergamo 4, Lazio of Rome 0
Bologna 1, Florentina 0
Genoa 0, Bari 0
Internazionale of Milan 0, Verona 0
Juventus of Turin 3, Milan 0
Lecce 1, Napoli 1
Roma 1, Sampdoria of Genoa 1
Udinese 1, Cremonese 1
Standings: AC Milan 42; Napoli 41; Juventus 37; Sampdoria, Internazionale 36; Atalanta, Roma 32; Bologna 30; Lazio 26; Bari 25; Genoa, Lecce 23; Florentina 22; Cesena, Udinese 21; Cremonese, Verona 20; Ascoli 17.

ENGLISH FA CUP

Fifth Round Replay

Oldham 2, Everton 1 (after extra time)

Quarterfinals

Queen's Park Rangers 2, Liverpool 2
Sheffield United 0, Manchester United 1
Cambridge 0, Crystal Palace 1

ENGLISH DIVISION ONE

Aston Villa 2, Luton 0
Chelsea 0, Norwich 0
Manchester City 1, Arsenal 1
Nottingham Forest 2, Coventry 4
Southampton 2, Derby 1
Tottenham 3, Charlton 0
Standings: Aston Villa 55; Liverpool 53; Arsenal 47; Nottingham Forest, Chelsea, Coventry 43; Southampton, Tottenham 42; Norwich 39; Derby, Wimbledon, Everton 38; Queen's Park Rangers 36; Sheffield Wednesday, Crystal Palace 33; Manchester United 31; Luton, Manchester City 29; Millwall 24; Charlton 23.

SPANISH FIRST DIVISION

Real Madrid 3, Real Sociedad 0
Rayo Vallecano 1, Tenerife 0
Barcelona 6, Celta 0
Mallorca 3, Logrones 1
Castellon 0, Atletico de Madrid 0
Osasuna 2, Valencia 2
Valladolid 1, Cadiz 2
Zaragoza 3, Malaga 0
Athletic de Bilbao 1, Sevilla 1
Standings: Real Madrid 48; Barcelona, Atletico Madrid, Valencia 38; Real Sociedad 35; Sevilla 34; Osasuna 33; Real Oviedo 32; Real Mallorca 31; Athletic Bilbao, Logrones 30; Real Zaragoza 29; Castellon 25; Sporting Gijon 24; Tenerife 23; Malaga 20; Cadiz, Real Valladolid 19; Celta 17; Rayo Vallecano 14.

WEST GERMAN FIRST DIVISION

FC Homburg 3, Borussia Dortmund 3
Borussia Moench. 3, Nuremberg 0
Karlsruhe 2, Werder Bremen 1
Eintracht Frankfurt 1, Kaiserslautern 1
Hamburg SV 0, Bayern Munich 3
Bochum 2, Bayer Uerdingen 1
VfB Stuttgart 4, Fortuna Duesseldorf 0
Cologne 1, St. Pauli 0
Waldhof Mannheim 1, Bayer Leverkusen 1
Standings: Bayern Munich 34; Eintracht Frankfurt, Cologne 32; Bayer Leverkusen 30; VfB Stuttgart 29; Borussia Dortmund 25; Waldhof Mannheim 24; Werder Bremen, St. Pauli, Karlsruhe 23; Bochum 22; Nuremberg, Hamburg SV, Bayer Uerdingen 21; Fortuna Duesseldorf 19; Borussia Moenchengladbach 18; Kaiserslautern 17; FC Homburg 16.

DUTCH FIRST DIVISION

BVV Den Bosch 1, Haarlem 0
Roda JC 0, Fortuna Sittard 1
Willem II 0, Feyenoord 1
NEC Nijmegen 0, FC Utrecht 0
Ajax 0, Volendam 0
Den Haag 1, RKC Waalwijk 1
Sparta 0, PSV 4
FC Twente 3, MVV Maastricht 0
FC Groningen 3, Vitesse 1
Standings: PSV Eindhoven 35; Ajax 33; Roda JC 32; FC Twente Enschede 31; Vitesse, Fortuna Sittard 30; Volendam 29; FC Groningen 28; RKC Waalwijk 27; FC Den Haag, MVV Maastricht 23; Feyenoord 22; Sparta Rotterdam, FC Utrecht 21; NEC Nijmegen 18; BVV Den Bosch 17; Willem II 15; Haarlem 11.

SKATING

World Championships

Friday in Halifax, Nova Scotia

Women

Original Program

1. Midori Ito, Japan, .6 factored placements; 2. Kristi Yamaguchi, U.S., 1.2; 3. Holly Cook, U.S., 1.8.

Free Dance

1. Isabelle and Paul Duchesnay, France, 1.0; 2. Marina Klimova and Sergei Ponomarenko, Soviet Union, 2.0; 3. Maia Usova and Alexander Zhulin, Soviet Union, 3.0.

Final Standings

1. Klimova-Ponomarenko, 3.0; 2. Duchesnay-Duchesnay, 3.4; 3. Usova-Zhulin, 5.6.

Saturday

Women

Free Skate

1. Midori Ito, Japan, 1.0. factored placements; 2. Jill Trenary, U.S., 2.0; 3. Kristi Yamaguchi, U.S., 3.0.

Final Standings

1. Trenary, 5.4; 2. Ito, 5.6; 3. Cook, 7.4.

TRANSACTIONS

BASEBALL

American League

BOSTON—Agreed to terms with Ellis Burks, outfielder; Luis Rivera, shortstop, and Jose Manzanillo, pitcher, on one-year contracts.

CALIFORNIA—Renewed contracts of Jim Abbott and Mike Fetters, pitchers. Agreed to terms with Mark McLemore, Kent Anderson and Bobby Rose, infielders; Ron Tingley and John Orton, catchers; Dante Bichette, outfielder; and Rich Monteleone, pitcher, on one-year contracts.

HOUSTON—Agreed to terms with Mark Portugal and Roger Mason, pitchers, on one-year contracts.

MILWAUKEE—Agreed to terms with Don August, Jaime Navarro and Angel Miranda, pitchers, and Bill Spiers, infielder, on one-year contracts. Renewed contracts of Gary Sheffield and George Canale, infielders.

MONTREAL—Agreed to terms with Marquis Grissom, outfielder, on one-year contract. Renewed contracts of Steve Frey and Andy McGaffigan, pitchers; Gilbert Reyes, catcher; and Junior Noboa, infielder.

National League

ATLANTA—Signed Tom Glavine, pitcher, to one-year contract.

HOUSTON—Agreed to terms with Craig Biggio, catcher; Mark Davidson and Gerald Young, outfielders; and William Brennan and Jose Cano, pitchers, on one-year contracts.

BASKETBALL

National Basketball League

HOUSTON—Signed Lewis Lloyd, forward-guard, to second 10-day contract.

SEATTLE—Activated Dale Ellis, guard, from injured list. Put Quintin Dailey, guard, on injured list.

COLLEGE

BROWN—Dave Stenhouse, baseball coach, resigned, after 1990 season.

Truth, the Devil And Peter Ustinov

International Herald Tribune

LONDON — For most performers, there is nothing more daunting than a one-man show. For Peter Ustinov, the most protean of mortals, being only one man would be quite a limit.

"An Evening With Peter Ustinov," which opens later this month at the Haymarket, will be a one-man show, but Ustinov will as usual be several: himself and

MARY BLUME

celebrated people he has known or seen, such as François Mitterrand and Ronald Reagan. George Bush is not in the repertoire.

"There's nothing to him to imitate," said Ustinov, *his body assuming an oblique line.* "It's all very sidelong, he's always at an angle of 45 degrees, but I haven't really got him yet." Also missing will be Margaret Thatcher.

"I think I will leave her alone as much as possible. I think time will do my work for me."

Ustinov will talk about Mikhail Gorbachev because he knows him and believes he will succeed. "He's the first person to manage to put the gears in reverse, the first person to realize that there is no future in armed conflict at all. People have said it but nobody believed it, war has become like a casino where no one can win. I am absolutely sure by instinct that Gorbachev for the moment is very firmly entrenched, that there is no alternative to him and that *he was horrified the other day when there* was the vote that was unanimous except for Yeltsin. I am sure they said to Gorbachev it looks like it's going to be unanimous and he said ring up Yeltsin and tell him to vote against us, otherwise the world will say it's unanimous, everyone clapping, and we want to get away from that.

"Nobody *wants the bubble to burst and* the Russians showed they still have got a head on their shoulders when they sent Yeltsin to the United States and Ligachev to East Germany. I would have been worried about their future if they had done it the other way round."

The blood of many nations runs in Ustinov's veins, *the languages of many lands* trip off his tongue, and his movements are such that he seems to be on several continents at once.

Before London, he did his one-man show for Unicef in Australia and New Zealand, came down with pneumonia in Berlin, got caught in a traffic jam in Switzerland, and replied politely in Paris to the begging letters he gets as a foreign member of the *Académie Française.*

After 36 performances in London, he will address the Greek senate and receive the freedom of the city of Athens — "I hope that doesn't mean I have to run to Marathon to get it" — and go to Hollywood to play Alfred Hitchcock in a comic thriller. He has just finished the proofs of his new novel, "The Old Man and Mr. Smith," which is about God and the Devil.

"The premise is God and Satan deciding to meet again because of the tremendous amount of things that have happened since the Creation. They make a rendezvous on a *sidewalk in Washington* because they hear that's the most influential city at the moment. They make their first mistake right there because they can't get a hotel room because they have no luggage."

The novel marks Ustinov's debut onto the perilous terrain of theology. Does this mean that the ayatollahs might be offended? "I hope so. They're not mentioned, except it's suggested that maybe God and Satan should go to Mecca and the Devil says *I shouldn't go there, they're so different,* they're practically untemptable. I tried, they take me terribly seriously." As an alternative it is suggested they go to Rome, but God says no. "I'm not nearly well dressed enough for Rome."

As gentle as he is sharp, Ustinov is by temperament and necessity an optimist. "I am optimistic because I think it's the only alternative. I think pessimism is a luxury of the last century." The times are tremendously *exciting,* he says, *and they are also* their own satire.

"It's all so full of paradoxes. I even get the feeling in Germany that if anybody puts the wall up again it will be the West."

By nature, Ustinov is suspicious of people in high position: "The people who have reached the top of the tree are invariably *those who don't have the qualifications to* detain them at the bottom. A great lawyer stays with the law, the one who's not quite as gifted becomes Richard Nixon." One thing that excites him about recent events in Eastern Europe is that they were brought about by government leaders.

"I think almost for the first time in *history a mob reacted with the intelligence* of a single person and that in itself is extraordinary because it's the purest form of democracy. Once a mob has brakes as well as an accelerator, then things are possible that would be risky in the West because we have too much machinery.

"Things like Ceausescu's trial are a hiccup in the balancing act that is going on everywhere. I think they were quite right to get rid of him quickly. I know everyone would have liked an enormous trial, especially if it ended the same way, but I don't think that's wise."

Zoë Dominic

For Peter Ustinov, being only one man would be quite a limit.

Nor does Ustinov think it wise to crow over the supposed death of communism. "Marxism placed too great a strain on human nature. It's a highly moral authority, but rigid. The people who think communism is dead think materialism is right, the aspect of capitalism where you think greed is normal and that you really should indulge in it for the good of your soul *because it relaxes you. Communism makes* demands on people which are just not possible in the long run and it is also the last thing it was intended to be, a vote of nonconfidence in human intelligence. If you have to be guided to that extent, it means you are incapable of looking after yourself.

"The communist system puts every fish in a different tank, every species of fish. They're graded. And if a fish wants to move to another tank because it's got friends there, the answer is no and incidentally *why did you ask?* In the West they're all in the same tank, including sharks, whales, barracudas and shrimp. And when a shrimp goes into the tank he's told, remember you've got rights."

Plural himself, Ustinov thinks that truth, too, is plural. "Truth by its very nature is tendentious. *Truth in Ghana is surely different* from truth in the United States. To swear to tell the truth in a law court would be impossible for me, I could swear to tell my truth. The truth is really an ambition which is beyond us."

Ustinov thinks it an error to believe that in diffusing information at great speed we *are also diffusing the truth.* "*Our means of* communication have improved so much that now information doesn't travel any more, it's there at the same time as it happens. But of course disinformation and misinformation travel at the same speed. That's the penalty.

"So there's no time as in the old days for people to make up their minds or wait until the penny drops. The penny's down there already. Therefore the one thing we have not improved is what we say to each other. And that's by far the most urgent of all *problems.*"

LANGUAGE

Virile Women Target Tobacco Men

By William Safire

WASHINGTON — *My heart goes out to R.J.* Reynolds Tobacco Co. Taken over in a leveraged buyout; junk bonds sinking; publicly blasted into dropping its plan to make a pitch to sell its products to blacks. Nobody seems willing to walk a *few steps,* much less a mile, for a Camel.

"When sorrows come," says Claudius in "Hamlet" as the king recounts his troubles, "they come not single spies, *but in battalions.*" The newest trouble for the tobacco giant is centered on a word: *virile.*

A faithless employee of an outside contractor of RJR, currying favor with the healthy-lung crowd, leaked a proposal by Promotional Marketing Inc. not yet submitted to the tobacco company. The embryonic idea was to help launch a new brand, Dakota, by aiming a message at women — not the sort of feminists attracted to Philip Morris' Virginia Slims, with its slogan "You've Come a Long Way, Baby," but the kind of women who smoke that competitor's masculine-oriented brand, Marlboro.

What sort of women are attracted to the cigarette touted by the strong, silent, mustachioed, tattooed Marlboro *Man?* The answer, according to the anonymous leaker: *virile females.*

"I went to high school with girls like this," wrote Tony Kornheiser in a Washington Post column about the marketing idea. "We called them hitter chicks, because they liked to hit people, and I adored them for their wild ways. . . . They all dyed their hair either black or blond, and did it up in a rattail bouffant piled *high enough to hide a sharp comb inside that they* could use as a weapon. They were very big on chewing gum, often grape gum; they'd pop it so loud, it sounded like an air rifle." He fantasized about taking one to Palisades Amusement Park for a weekend, "knowing if anything went wrong with the car she could fix it."

Apparently the woman in the market segment we are cruelly disparaging here — using the *attributive* noun hitter to modify the down-putting chicks — enjoys events like tractor pulls and rodeos, fiercely but tenderly stands by her man, dresses like Dolly Parton on a fine day in the country and smokes Marlboro.

Now to my department: Is it accurate to call her *virile?* Would it be fair to require the manufacturer to carry a message on the side of the pack that reads "Warning: *women smoking this are in danger of* becoming *virile*"?

That word is rooted in the Latin *vir,* "man, male." A virile person is endowed with what men like to think are manly characteristics: strength, force, dynamism, vigor, potency. The most frequently used synonym for *virile* is *masculine.*

Here we are at the critical issue: Can you use *virile woman* without committing *an oxymoronic act? Do* adjective and noun absurdly conflict?

No. *Masculine woman* is an acceptable phrase, as is *effeminate man;* what is meant here, however, is different from a female who acts like a male. A *virile woman,* as I interpret the promotional message, is "a woman who associates herself with activities and images formerly considered of primarily male interest."

Etymologists will support the use of *virile woman* because the first appearance of the adjective, in William Caxton's 1490 translation of a French romance based on Virgil's "Aeneid," was in the phrase "O the fortytude viryle of wymmen." That reference to "virile fortitude" suggests the writer considered gutsiness to be a male attribute, but that is no longer the case; you've come a long way, virility.

What is the equivalent modifier to apply to men? If you can call a woman *virile* without impeaching her femininity, what is a non-effeminate word for a man who has the attributes of womanliness?

Sensitive. That word, the primary meaning of which used to be "keenly susceptible to stimuli," changed to a primary "easily offended" and later to a bureaucratic "one cut above top secret"; now it most often means "sympathetic to minorities' and women's concerns."

Jacques Barzun, a member of my Board of Mentors, hates this: He calls it "voguery to eschew" and urges us to use *sensitive* only for "skin, plant, soul." (Other members of the Board of Mentors are Frederic G. Cassidy, editor of the Dictionary of American Regional English, and Allen Walker Read, famous for tracing the origins of O.K.; you have to be octogenarian, and not only in possession of all your marbles but also able to differentiate among *pureys, cat's-eyes, aggies, glassies, marididdles, steelies, boulders* and *smarties.*)

A related controversy involved to *target.* This verb started as a noun, from the Germanic *targe,* meaning "lightweight shield" (an apt designation for the next phase of the Strategic Defense Initiative).

The shield became the object at which to aim, and the noun target was verbed by 1837; a century later, *economists began using it for* "planning to attain an objective." In 1948, this sense was recorded by The Observer of London: "Even herrings have targets now: 175,000 tons of fish are being 'targeted' to yield 17,000 tons of oil a year."

Targeting was an innocent, if manipulative, advertising term until it ran into the anti-smoking campaign. Suddenly, a market segment was being *targeted* with a health hazard; that revived the early object-of-arrows meaning of the noun, and now everybody is denying any effort to target anybody except a newly sensitive Marlboro Man *and the virile hitter chick* repairing his wheezing engine at the tractor pull.

□

In a column headlined "A Chat With Jesse," my New York Times colleague A.M. Rosenthal revealed that Jesse Jackson was unlikely to run for mayor of Washington. The world-renowned political figure (nobody assumed the first name applied to Jesse Helms or Jesse James) explained that "the mayoralty of Washington has zero political leverage." *Jackson said he* was honored to be considered and added, "But logic and politics *mitigate* against it."

Rosenthal's readers were ahead of the news — Jackson subsequently announced his mayoral noncandidacy — but were subjected to solecism. *Mitigate* for *militate* is one of those mistakes made so often by so many of us that resistance is crumbling. *Mitigate* means "to soften," from the Latin *mitis,* "soft," which may also be the root of *mignon,* the tenderest steak; *militate* means "to be directed, to work (against)," from the Latin for "serve as a soldier, fight," which is also the root of the adjective and noun *militant.*

Let us not permit either logic or politics to *mitigate* our resistance to error: Instead, let us — politicians and pundits all — *militate* against confusion.

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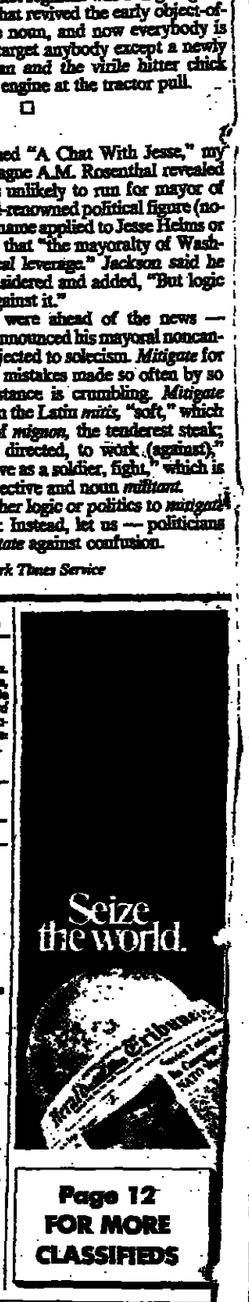

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